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SENATE
REPORT
98–506

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATION BILL, 1985

JUNE 7 (legislative day, JUNE 6), 1984.—Ordered to be printed

Mr. GARN, from the Committee on Appropriations,
submitted the following

REPORT

[To accompany H.R. 5713]

The Committee on Appropriations to which was referred the bill (H.R. 5713) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1985, and for other purposes, reports the same to the Senate with various amendments and presents herewith an explanation of the contents of the bill.

AMOUNT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

	Fiscal year 1985
Amount of bill as recommended in House	58,436,496,500
Amount of change by Committee	−2,352,617,500
Amount of bill as reported to Senate	56,083,879,000
Amount of appropriations to date, 1984	56,111,731,000
Amount of budget estimates, 1985	54,668,498,000
Over estimates for 1985	1,415,381,000
Under appropriations for 1984	27,852,000

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SUMMARY OF THE BILL

Department or agency	Appropriations, 1984	Budget estimates, 1985	House allowance	Committee recommendations	Senate bill compared with—		
					Appropriations, 1984	Budget estimates 1985	House allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
American Battle Monuments Commission	$10,462,000	$11,065,000	$11,065,000	$11,065,000	+$603,000		
Cemeterial expenses, Army	8,203,000	7,759,000	7,759,000	7,759,000	-444,000		
Consumer Information Center	1,349,000	349,000	1,149,000	1,149,000	-200,000	+$800,000	
Consumer Product Safety Commission	35,000,000	35,000,000	36,000,000	35,000,000			-$1,000,000
Council on Environmental Quality	1,300,000	700,000	700,000	700,000	-600,000		
Department of Housing and Urban Development	13,456,337,000	10,282,684,000	14,032,374,500	11,712,429,000	-1,743,908,000	-1,429,745,000	-2,319,945,500
Department of the Treasury	4,573,978,000	4,574,641,000	4,574,641,000	4,574,641,000	+663,000		
Environmental Protection Agency	3,998,100,000	4,293,254,000	4,358,275,000	4,380,454,000	+382,354,000	+87,200,000	+22,179,000
Federal Emergency Management Agency	476,594,000	630,072,000	554,909,000	559,868,000	+83,274,000	-70,204,000	+4,959,000
Federal Home Loan Bank Board	(67,635,000)	(68,908,000)	(68,908,000)	(68,908,000)	(+1,273,000)		
National Aeronautics and Space Administration	7,197,500,000	7,491,400,000	7,491,400,000	7,491,400,000	+293,900,000		
National Credit Union Administration		(600,000,000)	(600,000,000)	(600,000,000)	(+600,000,000)		
National Science Foundation	1,320,300,000	1,501,792,000	1,499,792,000	1,501,792,000	+181,492,000		+2,000,000
Neighborhood Reinvestment Corporation	15,512,000	15,271,000	15,271,000	15,512,000		+241,000	+241,000
Office of Consumer Affairs	2,011,000	2,096,000	2,096,000	2,096,000	+85,000		
Office of Science and Technology Policy	1,950,000	2,194,000	2,194,000	2,194,000	+244,000		
Selective Service System	24,500,000	28,130,000	27,780,000	27,780,000	+3,280,000	-350,000	
Veterans Administration	24,988,635,000	25,792,091,000	25,821,091,000	25,760,040,000	+771,405,000	-32,051,000	-61,051,000
Total	56,111,731,000	54,668,498,000	58,436,496,500	56,083,879,000	-27,852,000	+1,415,381,000	-2,352,617,500

GENERAL STATEMENT

The Committee recommends new budget (obligational) authority of $56,083,879,000 for the Department of Housing and Urban Development, the Environmental Protection Agency, the National Aeronautics and Space Administration, the National Science Foundation, the Veterans Administration, and 13 other agencies, commissions, boards, corporations, institutes, and offices. This amount is $27,852,000 less than the appropriations enacted for fiscal year 1984 and $1,415,381,000 more than the budget estimate for fiscal year 1985.

FEDERAL CREDIT CONTROL PROGRAM

The 1985 budget resolution proposes a system subjecting Federal credit programs to annual review, limitation, and authorization through appropriation language on direct loan obligations and/or commitments to guarantee loans. The new system of credit control will permit both the administration and the Congress to improve understanding of the credit programs and determine appropriate levels of credit activity.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Federal Housing Administration Fund (limitation on guaranteed loans) ($50,900,000,000).

Nonprofit Sponsor Assistance ($1,880,000).

Guarantees of Mortgage-Backed Securities (limitation on commitments) ($68,250,000,000).

Community Development Grants (limitation on guaranteed loans) ($225,000,000).

VETERANS ADMINISTRATION

Loan Guaranty Revolving Fund.

Direct Loan Revolving Fund ($1,000,000).

In several instances, the bill does not contain requested credit control language. This action, however, should not be interpreted as a lessening of support for the credit control system or a denial of loan or guarantee authority for those accounts. The paragraphs not included in the bill contain language proposing "such sums as may be necessary." The Committee agrees with the administration that in these instances no limitation should apply and has not included such language because it is unnecessary.

Finally, the Committee will reconsider any limitation that, potentially, may be programmatically restrictive.

REPROGRAMING AND INITIATION OF NEW PROGRAMS

The Committee continues to have a particular interest in being informed of reprogramings which, although they may not change either the total amount available in an account or any of the purposes for which the appropriation is legally available, represent a significant departure from budget plans presented to the Committee in an agency's budget justifications.

Consequently, the Committee directs that the Department of Housing and Urban Development and the agencies funded through this bill notify the chairman of the Committee prior to reprograming of funds in excess of $250,000 between programs, activities, or elements. The Committee desires to be notified of reprograming actions which involve less than the above-mentioned amounts if such actions would have the effect of changing an agency's funding requirements in future years or if programs or projects specifically cited in the Committee's reports are affected. Finally, the Committee wishes to be notified regarding reorganizations of offices, programs, or activities prior to the planned implementation of such reorganizations.

Despite the fact that this directive regarding reprogramings, reorganizations, and the initiation of new programs has been a part of the Committee's report since fiscal year 1977, the Committee notes that a number of the Departments and agencies funded through this bill have failed to fully comply with the directives. The Committee views the monitoring of reprogramings to be an integral part of its budget review responsibility and expects all Departments, agencies, commissions, boards, and offices covered by this legislation to adhere to the Committee's reprograming directives.

EFFECTS OF COMMITTEE ACTION ON BUDGET OUTLAYS

The fiscal year 1985 budget outlays from the new budget authority for the Department of Housing and Urban Development together with the independent agencies funded by this bill resulting from funding requested by the administration are estimated to be $35,953,000,000. Of this amount, $18,716,000,000 is mandatory and $17,237,000,000 is associated with new budget authority for the discretionary programs funded in this bill. The Committee's recommendations would result in an increase in total outlays of $78,000,000.

TITLE I—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

	Contract authority	*Budget authority*
1984 limitation	$636,336,000	$9.912.928.000
1985 budget estimate	675,435,647	6,243.437,000
House allowance	834,963,123	9,969.127,500
Committee recommendation	[1] 797,228,123	[2] 7,638,682,000

[1] Represents the net effect of $905.613.123 in new contract authority and a rescission of $108,385.000 in deobligations.

[2] Represents the net effect of $10,393.395.000 new budget authority and a rescission of $2,754,713.000 in deobligations.

The Committee recommends $7,638,682,000 of new budget authority. This is $1,395,245,000 more than the budget estimate and $2,330,445,500 less than the House.

PROGRAM DESCRIPTION

Currently, the Department's assisted housing efforts principally consist of a low-income public housing program and the section 8 lower income rental housing assistance program. Under the public housing program, local public housing agencies develop, own, and operate low-income public housing projects, financing them through the sale of short-term, tax-exempt notes and long-term taxable instruments, with the Department of Housing and Urban Development entering into a commitment to pay the debt service of these obligations through an annual contributions contract to help assure low rents and adequate services. Financial assistance is also provided to Indian housing authorities to plan, build, own, and operate low-income public housing projects. Under the section 8 rent subsidy program, the Department pays the difference between what an eligible lower-income household can afford and the fair market rent for an adequate housing unit. This rental assistance may be used for existing housing, for new construction, or for rehabilitated units.

For 1985, the Department is proposing full-scale implementation of the housing voucher program which was authorized as a demonstration program in 1984 pursuant to the Housing and Urban-Rural Recovery Act of 1983 (Public Law 98–181). Under the voucher program, instead of maximum rent ceilings based on fair market rents, a payment standard derived from local rental costs of moderately priced standard housing is used. This standard, along with data pertaining to family income and composition, would provide the basis for determining the amount of subsidy payment. Flexibility is one of the program's principal features. Program participants can rent units which were above the established standard but would not receive additional subsidy. Conversely, if units are rented at costs below the standard, the subsidy would not be reduced. The program draws from the experience gained in the experimental housing allowance program and the section 8 existing program.

For 1985, the budget includes 100,000 incremental units, representing 87,500 vouchers, 10,000 section 8/202 housing for the elderly or handicapped units, and 2,500 Indian housing units. Another 50,594 units have been included in the 1985 program directed toward units already in the housing inventory but which will be converted to, or receive additional assistance from, the section 8 program.

In addition to the incremental voucher units, the budget anticipates that as many as 160,000 units of the section 8 existing inventory will convert to the housing voucher program. The budget also reflects the transfer of $615,000,000 of available budget authority in 1984 from the annual contributions for assisted housing program to two new programs authorized in Public Law 98-181—the rental housing development grants program and the rental rehabilitation grants program.

The administration intends to continue reviewing projects in the construction and preconstruction processing pipeline in an effort to eliminate those projects which are not making satisfactory progress toward construction start. The Department estimates that deobligation of such units is expected to result in the recapture of $2,754,713,000 of budget authority in 1985.

The 1985 budget reflects, for the first time, the establishment of the Assistant Secretary for Public and Indian Housing. The Indian housing and public housing programs, along with modernization and operating subsidies, have been transferred to the new Assistant Secretary, while the section 8 program remains the responsibility of the Assistant Secretary for Housing.

COMMITTEE RECOMMENDATION

The Committee recommends $10,393,395,000 in new budget authority and $905,613,123 in additional contract authority for the Department's assisted housing program within this account. Also included in the program level is $22,300,000 in permanent authority and $209,871,258 in budget authority restored for accounting adjustments. The total program level resulting from the committee's recommendations is $10,625,566,258. This compares to a $9,102,992,000 program level proposed by the administration and $12,301,298,758 proposed by the House.

The following table displays the gross reservations, contract authority and budget authority associated with the Committee's recommendations:

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING GROSS RESERVATIONS—FISCAL YEAR 1985

	Units	Cost	Contract authority	Term	Budget authority
Recaptures	NA	NA	$108,385,000	NA	$2,754,713,000
Rescission of recaptured authority	NA	NA	-108,385,000	NA	-2,754,713,000
Permanent authority	NA	NA	22,300,000	NA	22,300,000
Budget authority restored	NA	NA	NA	NA	209,871,258
New authority	NA	NA	797,228,123	NA	7,638,682,000
New authority in lieu of recaptured	NA	NA	108,385,000	NA	2,754,713,000
Total, available	NA		927,913,123		10,625,566,258
Public housing:					
Indian	2,500	5,585	13,962,500	28	390,950,000
Amendments	NA	NA	10,000,000	NA	300,000,000
Lease adjustments	NA	NA	20,800,000	1	20,800,000
Accounting adjustments	NA	NA	[1] 14,464,023	NA	333,297,258
Modernization	NA	NA	77,500,000	20	1,550,000,000
Development to mod swaps	NA	NA	12.500,000	20	250,000,000
Vacant building set-aside	(3,000)	1,667	5,000,000	20	100,000.000
Subotal, public housing	2,500		154,226,523		2,945,047,258
Section 8:					
Housing vouchers:					
Incremental vouchers	38,500	[2] 3,404	131,054.000	5	655,270,000
Voucher PHA fees	NA	287	11.049,500	5	55,247,500
Subtotal, vouchers	38,500		142,103.500		710,517,500
Section 8 existing	20,000	4.659	93,180.000	15	1,397,700,000
Existing 5-year term demo	35,000	4,659	163,065.000	5	815,325,000
Section 8 opt outs	1,000	4,659	4,659,000	5	23,295,000
Public housing demolitions	2,500	4,659	11,647,500	5	58,237,500
Section 202	14.000	7,121	99,694,000	20	1.993,880,000
Loan management	5.000	3.250	16,250.000	5	81,250,000
Property dispositions:					
Existing	2,000	4,659	9,318,000	15	139,770,000
Moderate rehab	2.000	5,600	11,200.000	15	168.000,000
Subtotal, PD	4,000		20,518,000		307,770,000
Conversions:					
Section 23:					
Regular	5,000	2,850	14,250,000	15	213,750,000
Rent supplement/RAP	32,094	3,400	109,119,600	15	1,636,794,000
Subtotal, conversions	37,094		123,369,600		1,850,544,000
Amendments:					
New/rehabilitation	NA	NA	40,000,000	5	200,000,000
Existing housing:					
Regular	NA	NA	50.000.000	3	150,000,000
Loan management	NA	NA	5.200,000	10	52.000.000
Moderate rehab	NA	NA	4.000,000	10	40,000,000
Subtotal, amendments	NA		99,200.000		442,000.000
Subtotal, section 8	157.094		773,686,600		7,680,519,000
Total, public housing and sec. 8	159,594		927,913,123		10,625,566,258

[1] Includes $11,215,073 of new authority to be released for accounting adjustments related to pre-1976 authority.

[2] Assumes rent payment standard of $4,700, tenant payment of $1,740, and voucher subsidy of $3,404 ($2,960 at 115 percent). Average rent payment standard skewed higher as a result of use with rental rehabilitation grant program.

Given the program structure proposed by the Committee, the recommended funding will result in the reservation of 113,000 incremental units. This contrasts with the administration's request for 100,000 incremental units and the 100,000 units provided by the House. The estimated number of incremental units expected in fiscal year 1984 is also 100,000 (Public Law 98–45). Specifically, the Committee proposes: 14,000 units of section 202 housing (versus 10,000 in the House and 10,000 proposed by the administration); 2,500 Indian housing units (versus 1,000 in the House and 2,500 proposed by the administration); 20,000 section 8, 15-year existing units (versus 36,500 in the House and none proposed by the administration); 38,500 housing certificates (versus 38,500 in the House and 251,000 proposed by the administration); and no moderate rehabilitation (versus 7,500 in the House and none requested by the administration). The Committee has also funded 38,500 section 8, 5-year units. Although the House has included 10,000 units of new public housing development, the Committee has not, at this time, recommended funding for public housing new construction. The Committee is following the Department's action on the public housing pipeline and will consider new construction when the problems concerning the preconstruction backlog are resolved.

Under the public housing program the Secretary is authorized to establish an estimate of the maximum amount of direct loans that may be required by the Department based upon loan approvals outstanding. This authority is conferred by section 4 of the United States Housing Act of 1937 which also limits the amount of funds the Secretary can borrow from the Treasury to $1,500,000,000. The current estimate by the Department is that 7.5 percent of the loans outstanding (except for permanent financing which has no risk for a direct Federal loan) will result in Treasury borrowing if the Secretary had to make a direct loan. Applying the 7.5 percent to the $1,500,000,000 would mean that nonpermanent loan obligations outstanding could not exceed $20,000,000,000. Because of the need to modernize public housing and the Committee's action to provide substantial authority to do so, the Department is in danger of exceeding this $20,000,000,000 limitation. Since the Department's estimates of direct loans and resulting Treasury borrowing have not exceeded $300,000,000 at any one time for the past several years, the Committee believes the Department has set the percentage factor too high and therefore, the Committee directs the Secretary to establish the rate of 5 percent which would provide for a $30,000,000,000 ceiling. This will enable the Department to achieve the modernization objectives desired by the Committee while maintaining borrowing for the program on the short-term private market at interest rates substantially below long-term rates with private sources and the Federal Financing Bank.

Once again this year, the Committee recommendations, in terms of the number of incremental housing units, were based on a housing model. The model was based on data obtained from the American Housing Survey, Bureau of the Census, and the Department's policy development and research program. The model was designed to target housing assistance to those most in need; families below 50 percent of median income; living in units requiring moderate or major repair; and paying more than 30 percent of their income for housing. The model indicates the need for 113,000 incremental units. The Committee urges the Department to take those steps that are necessary to implement the model and thereby provide housing to those most in need.

The Committee also recommends a total of $1,900,000,000 in new budget authority and $95,000,000 in new contract authority for public housing modernization. The House included $1,550,000,000 for public housing modernization, the administration requested $1,550,000,000 for this purpose. The Committee continues to strongly support the comprehensive improvement assistance program (CIAP) and the research study to determine the national modernization needs.

The public housing modernization program proposed by the Committee contains the same "base" program of $1,550,000,000 as requested by the administration and recommended by the House. However, the Senate version also provides for an additional $250,000,000 in budget authority for potential development to modernization swaps as authorized in the Housing and Urban-Rural Recovery Act of 1983 (Public Law 98–181). This $250,000,000, if not utilized by July 1, 1985, would become available for additional section 8 existing units. In addition, the Senate bill contains $100,000,000 in budget authority to rehabilitate 3,000 units in approximately 500 vacant buildings. This rehabilitation would average about $33,000 in budget authority per unit versus $189,000 in budget authority for new construction. As a result of the Committee action, $1,900,000,000 is available for modernization. This is $350,000,000 over the request and the House level.

The Committee shares the concern expressed by the House relative to the allocation of modernization funds to public housing authorities. In its report accompanying House Joint Resolution 517, the House Committee expressed its dissatisfaction with the Department's policy of continuing to withhold funds for the public housing modernization program. The Committee believes that there is no reason that public housing modernization funds should not have been fully allocated to the field. The $250,000,000 of new budget authority provided by the Committee for "swaps" should preclude the need to withhold modernization funding.

The Senate bill rejects the conversion of the voucher demonstration to a full scale program by only providing 38,500 vouchers (same as the House) versus 251,000 proposed by the administration. The Senate also established a 38,500-unit 5-year section 8 demonstration program and provides $500,000 under the policy development and research account to evaluate vouchers versus 5- and 15-year existing section 8 programs.

Thus in fiscal year 1985, the Department will have 38,500 vouchers, 38,500 section 8, 5-year existing and 20,000 section 8, 15-year existing units, on which to base the evaluation. The Committee agrees with the House that the abandonment of section 8 is premature. To date, not a single housing voucher unit has been placed under contract. Still, for fiscal year 1985, the administration proposed the abandonment of all section 8 existing units and the substitution of housing voucher units. In view of the fact that not a single housing voucher unit has been reserved, and therefore its effectiveness is unknown, the Committee believes it is unwise to "place all of subsidized housing's eggs in one basket" before the results of the housing voucher demonstration program are available. Consequently, the Committee has included bill language precluding the use of budget authority for conversions of section 8 to vouchers.

With regard to the setting of administrative fees under both the section 8 existing housing program as well as the housing voucher program, the Department has recommended overall reductions in program administrative fees from 8½ percent to 6 percent as regards the current section 8 existing housing program. The Department has further recommended that the administrative fee for the housing voucher program be set at 4½ percent. The Committee is aware of the concerns of PHA administrators who, in light of the reductions in administrative fees, are concerned that the proposed fees do not reflect the actual costs of administration of either program based upon an analysis of current administrative costs incurred in their implementation of the section 8 existing housing program.

On the basis of the Committee analysis of these concerns, the Department is hereby directed to submit within 6 months of the date of enactment of this legislation a report which provides for a specific accounting of the costs of program administration for both the section 8 existing housing program as well as the housing voucher program. The purpose of this report will be to determine whether or not the administrative fees proposed for both the section 8 existing housing program, as well as the housing voucher program in fact reflect actual as opposed to projected costs of program administration. The Department's report will be based upon an analysis of actual program costs incurred by a representative sampling of current program administrators who will be selected and made known to the Committee no later than October 1, 1984.

While there are legitimate differences of opinion over how best to provide additional assistance for lower income households—as indicated by the experiment with vouchers—there should be no argument over the need to give high priority to retaining the present stock of assisted housing in viable condition. This requires both providing adequate assistance for operations and comprehensive improvement, which this appropriation does, and preventing the sale, conversion, or demolition of assisted units while the need for them persists. In weighing the considerations involved in dealing with troubled or delinquent projects, or those needing comprehensive improvement, the Committee expects the Secretary to use every resource available to enable them to be retained in the assisted housing inventory.

Also, since the 1984 HUD-Independent Agencies bill was enacted, a new 2-year housing authorization bill (the Housing and Urban-Rural Recovery Act of 1983, Public Law 98-181) has become law. This bill, in addition to the housing voucher demonstration program, authorized new rental housing development grant and rental rehabilitation grant programs. A total of $315,000,000 was authorized for the rental housing development grant program and $300,000,000 was made available for the rental rehabilitation grant program. In both cases, the authorization amounts cover both 1984 and 1985. The House Joint Resolution 517 which is awaiting passage in the Senate contains the necessary funding for these two new programs.

The Senate bill funds all the programs via new budget authority, whereas the administration's proposal depends on $2,837,255,000 in recaptures and carryovers and the House bill uses $2,100,000,000 of recaptures and carryovers. By rescinding these deobligations and providing a like amount of new budget authority at the beginning of the fiscal year, the Senate version avoids problems that have occurred in prior years associated with recapture shortfalls.

RENT SUPPLEMENT

(RESCISSION)

1984 rescission	−$2,374,777,000
1985 budget estimate	−1,834,074,000
House allowance	−1,834,074,000
Committee recommendation	−1,834,074,000

The Committee recommends a rescission of $81,617,000 in contract authority and $1,834,074,000 in budget authority. This is the same as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

Section 101 of the Housing and Urban Development Act of 1965 authorizes rent supplement payments on behalf of low- and moderate-income tenants living in privately owned, operated, and financed housing. Eligible tenants must pay the greater of 30 percent of rent or be-tween 25–30 percent of their income toward the rent with the difference between the tenant payment and actual cost made up by a rent supplement paid directly to the project owner.

The Housing and Community Development Amendments of 1979 redefined the standards for tenant eligibility under the rent supplement program to require that such tenants also meet the eligibility standards of the section 8 program. The 1979 and 1981 amendments also authorized the use of available authority under section 5(c) of the U.S. Housing Act of 1937, as amended, to supplement rent supplement contracts beginning in 1980. The 1983 Supplemental Appropriations Act (Public Law 98–63) funded a set-aside to support future amendment needs for noninsured, State agency sponsored projects receiving assistance under the rent supplement program.

The 1985 budget requests the rescission of $81,617,000 in contract authority and $1,834,074,000 in budget authority under the rent supplement program. The proposed rescission represents residual balances of authority available as a result of the planned conversion of 34,372 rent supplement units to section 8 in fiscal year 1985.

COMMITTEE RECOMMENDATION

The Committee recommends the proposed rescission of up to $81,617,000 in annual contract authority and $1,834,074,000 in budget authority in fiscal year 1985. This rescission permits the conversion to the section 8 program of the remaining 34,372 rent supplement units in insured projects. The budget also assumes, and the Committee expects, that State-aided, noninsured projects will remain under the rent supplement program and will continue to receive assistance as authorized by the 1983 Supplemental Appropriations Act.

RENTAL HOUSING ASSISTANCE PROGRAM

(RESCISSION)

1984 budget rescission	−$483,120,000
1985 budget estimate	−164,760,000
House allowance	−164,760,000
Committee recommendation	−164,760,000

The Committee recommends a rescission of $7,631,000 in contract authority and $164,760,000 in budget authority.

PROGRAM DESCRIPTION

The rental assistance payments (RAP) program, authorized by the Housing and Community Development Act of 1974, is designed to aid very low income families in section 236 projects by permitting HUD to provide additional subsidies equal to the difference between the basic rent and 25 to 30 percent of income for a certain percentage of units. Starting in 1982, the tenant rent contribution for program participants is being increased by 1 percent per year until a level of 30 percent is reached.

As a result of the increasing difficulty in funding RAP amendments, the administration began converting insured RAP-assisted projects to the section 8 program in 1983. There are approximately 18,000 units remaining in this category and the budget assumes the conversion of 15,000 units in 1984 and the remaining 3,000 units in 1985. The budget also assumes noninsured, State-aided projects will be exempted from the conversion policy and will continue to receive subsidy assistance using the amounts setaside for future amendments in the 1983 Supplemental Appropriations Act (Public Law 98–63).

COMMITTEE RECOMMENDATION

The Committee recommends the proposed rescission of up to $7,631,000 in annual contract authority and $164,760,000 in budget authority in the rental housing assistance program in 1985. This rescission represents the conversion to the section 8 program of the remaining 3,023 RAP units in insured projects. The budget also assumes, and the Committee expects, that State-aided, noninsured projects will remain under the rental assistance payments program and continue to receive assistance as authorized by the 1983 Supplemental Appropriations Act.

HOUSING PAYMENTS (LIQUIDATION OF CONTRACT AUTHORITY)

1984 appropriation	$10,697,000,000
1985 budget estimate	[1] 11,663,000,000
House allowance	[1] 11,663,000,000
Committee recommendation	[1] 11,663,000,000

[1] Estimated liquidation requirement.

The Committee recommends an appropriation of $11,663,000,000. This is the same as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

This appropriation provides liquidating cash to meet contractual payments due in fiscal year 1985 under the section 8 lower income housing assistance program; the public housing program; the rent supplement program; the section 236 rental housing assistance program; the section 235 homeownership assistance program; and the college housing grant program.

Beginning in 1985, it is proposed that a permanent indefinite appropriation be enacted for each of the separate programs currently covered under the housing payments consolidated appropriation. The change would simplify accounting for these programs and insure that the amount of the appropriation will be equivalent to the amount needed to liquidate contractual commitments approved by Congress in prior years.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $11,663,000,000 for the liquidation of contract authority.

In 1985, it is estimated that 3,965,000 subsidized housing units will be eligible for payment, including 2,139,000 section 8 units and 1,289,000 public housing units. This level represents an increase of 136,000 above the estimated number of units eligible for payment at the end of fiscal year 1984.

The budget proposes that permanent indefinite appropriations be enacted for each of the separate programs covered under the current housing payments consolidated appropriation. Funds for these payments are now provided by an annual appropriation. Normally, an appropriation is the primary means of congressional control over the total obligations that can be incurred for a program. However, since the housing payments appropriation represents only the cash necessary to make payments for contractual obligations previously authorized actual control over obligations is exercised through the amount of contract and budget authority provided in the appropriation process.

The bill includes, as a HUD administrative provision, the requested language establishing permanent indefinite appropriations for payments required under contracts for the assisted housing programs. The Committee understands the change will simplify accounting for these housing programs without the loss of useful financial data and guarantee that the amount of the appropriation will never be higher or lower than the exact amount needed to liquidate contractual commitments approved in prior years.

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND

(LIMITATION ON LOANS)

1984 limitation	$666,400,000
1985 budget estimate	500,000,000
House allowance	500,000,000
Committee recommendation	700,000,000

The Committee recommends a loan limitation of $700,000,000. This is $200,000,000 more than the budget estimate and the House allowance.

PROGRAM DESCRIPTION

The section 202 program provides direct Federal loans to nonprofit organizations who sponsor the construction and management of housing projects to serve elderly or handicapped families and individuals. The housing projects are designed to provide an assured range of necessary services for the occupants, including health, continuing education, welfare, recreation, counseling, referral, transportation to social services, and means to encourage and assist occupants to use the services and facilities made available. Projects developed under section 202 also carry a section 8 subsidy, which enables the rents of lower-income elderly or handicapped tenants to be reduced to a maximum of 28 percent of their income, during fiscal year 1984. Applications under the two programs are processed simultaneously.

The 1985 budget requests a loan limitation level of $500,000,000 reflecting the proposed reduction in units approved from 14,000 units in 1984 to 10,000 units in 1985. Construction starts and completions during 1985 are estimated at 14,000 units and 15,000 units respectively, based upon the anticipated pipeline of projects under reservation and/or construction at the end of 1984.

COMMITTEE RECOMMENDATION

The Committee recommends $700,000,000 as the loan limitation for the elderly and handicapped program. The Committee also recommends: continuation of language limiting the program to qualifed nonprofit sponsors; providing long-term permanent financing at a rate not to exceed 9.25 percent; and requiring that section 202 loan authority be "on budget" in fiscal year 1985. At the level recommended by the Committee, 14,000 section 202 housing units would be produced. This is 4,000 more than the request and the House allowance. This will maintain the program at the fiscal year 1983 and fiscal year 1984 levels.

Once again this year, the Committee urges HUD to maintain its efforts to increase minority sponsorship of section 202 projects and provide technical assistance to such sponsors.

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

1984 appropriation	$1,362,200,000
1985 budget estimate	1,123,500,000
House allowance	1,123,500,000
Committee recommendation	1,148,500,000

The Committee recommends an appropriation of $1,148,500,000. This is $25,000,000 more than the budget estimate and the House allowance.

PROGRAM DESCRIPTION

Operating subsidies are provided to public housing authorities (PHA's) and Indian housing authorities (IHA's) to assist in financing the operation of PHA/IHA-owned dwellings in accordance with section 9 of the United States Housing Act of 1937, as amended. Operating subsidies are required to help maintain operating and maintenance services and provide for minimum operating reserves. The performance funding system (PFS) formula is used to calculate the level of operating subsidy to be provided to each PHA/IHA to operate its owned units with the exception of the PHA's of Alaska, Guam, Puerto Rico and the Virgin Islands, and certain homeownership projects. Subsidy payments are in addition to the annual contributions for debt service provided by the Department to cover the development, acquisition, or modernization costs of projects.

The performance funding system has been used since 1975 to calculate the operating subsidies to be provided to each PHA/IHA to operate its owned projects. The calculated subsidy amount under PFS is the difference between the estimate of operating costs minus an estimate of income from rents and other sources.

The 1985 obligation estimate of $1,123,500,000 is $103,500,000 less than the current 1984 obligation estimate of $1,227,000,000. The estimate reflects the currently estimated impact of recent legislation increasing tenant rent payments, increased occupancy due to targeting modernization funding to vacant subsidized units, reduced utility costs derived from energy savings improvement to dwelling units reflecting the targeting of modernization funding to reduce energy consumption, end of year adjustments to reflect rental and investment income actually collected based on a regulatory change, and reduced subsidy payments to vacant housing units.

COMMITTEE RECOMMENDATION

The Committee recommends a level of $1,148,500,000 for public housing operating subsidies. This is $25,000,000 more than the budget request and the House allowance.

On March 28, the fiscal year 1984 proposed operating subsidy rescission of $331,431,000 was released. The House version of the pay supplemental contains a provision that would make these funds (or any unobligated funds) carryover into fiscal year 1985. As a result, the request level of $1,123,500,000 may be augmented by $331,431,000 for a new base of $1,454,931,000, plus the $25,000,000 added by the Senate for a total level of $1,479,931,000 or $117,731,000 over the fiscal year 1984 appropriations level.

The $25,000,000 added by the Senate over the House allowance, is targeted for advanced architectural and engineering (A&E) work in conjunction with the CIAP program. By permitting PHA's to undertake A&E, they will be able to better define the modernization needs and the expected costs of modernization. In addition, this advanced planning can reduce the delay in CIAP funding by 2 to 3 months and will also give HUD a sounder basis for evaluating CIAP applications.

The need to carry over the fiscal year 1984 unobligated balances and thus augment the fiscal year 1985 request is based on the following decisions to reject an estimated: $37,900,000 in additional rental income as a result of the 1983 Housing Act; $34,800,000 decrease due to an, as yet, unimplemented vacant unit policy; $35,000,000 decrease due to the recapture of "excess" rental income; and approximately $94,000,000 reduction in utility payments as a result of an assumption of zero utility inflation rate.

The Committee expects the performance funding system to be 100 percent funded in fiscal year 1985 and to be notified of any potential shortfall in time to consider a supplemental.

TROUBLED PROJECTS OPERATING SUBSIDY

PROGRAM DESCRIPTION

The Secretary provides assistance payments to owners of certain HUD-insured or HUD-held financially troubled multifamily subsidized housing projects in order to prevent potential losses to the FHA fund resulting from project insolvency and to preserve these projects as a viable source of housing for low- and moderate-income tenants. These payments are designed to fund deferred maintenance and replacement reserves, and operating deficits where owners can demonstrate to the Department that projects are well managed or that improvements in management will be made, allowing the projects to become self-sustaining.

Projects eligible for flexible subsidy assistance include those which are subsidized under the section 236, section 221(d)(3) below market interest rate and rent supplement programs, and have mortgages insured or held by the Department. Non-HUD-insured projects developed by State agencies and receiving assistance under one of the aforementioned programs also are eligible.

During 1985, the Department plans to fund activities through the use of excess rental income from the rental housing assistance fund. No additional appropriation is requested to support planned 1985 activity.

COMMITTEE RECOMMENDATION

The budget does not propose an appropriation for this program in 1985. However, requested language has been included to make available funds from unobligated balances of excess rental charges and collections. In addition, language making noninsured State projects eligible for subsidy is continued for fiscal year 1985.

HOUSING COUNSELING ASSISTANCE

1984 appropriation	$3,500,000
1985 budget estimate	....
House allowance	4,000,000
Committee recommendation	3,500,000

The Committee recommends an appropriation of $3,500,000. This is $3,500,000 more than the budget and $500,000 less than the House allowance.

PROGRAM DESCRIPTION

Under section 106(a) of the Housing and Urban Development Act of 1968, as amended, the Department has been authorized to contract with public and private agencies to provide counseling and advice to tenants and homeowners with respect to property maintenance, financial management, and such other matters as may be appropriate to assist them in improving their housing conditions and in meeting the responsibilities of tenancy or homeownership.

No appropriation is requested for 1985 by the Department. However, the Department will continue to certify and/or recertify local public and private nonprofit agencies that provide HUD-approved housing counseling assistance.

COMMITTEE RECOMMENDATION

The Committee recommends $3,500,000 for housing counseling assistance. This is the same as the fiscal year 1984 level.

The funds provided will support grants to about 200 HUD approved counseling agencies and assist them in providing counseling services to an estimated 50,000 clients.

The fiscal year 1984 conference report (H. Rept. 98-264) directed the Department to undertake a study to determine how the effectiveness of housing counseling might be improved. This report is due in several months.

An earlier report requested by the Committee, failed to substantiate the claims of cost savings made by the various counseling agencies. The report notes that the training of counselors and procedures used by counselors vary greatly among programs. The report also identified the CDBG program as the major source of funding for housing counseling activities. In light of these findings and the forthcoming HUD report, the Committee does not believe that an increase in funding is warranted at this time.

FEDERAL HOUSING ADMINISTRATION FUND

1984 appropriation	$252,974,000
1985 budget estimate	387,683,000
House allowance	387,683,000
Committee recommendation	387,683,000

The Committee recommends an appropriation of $387,683,000. This is the same as the request and the House allowance.

PROGRAM DESCRIPTION

The Federal Housing Administration fund covers the mortgage and loan insurance activities of about 40 HUD mortgage/loan insurance programs, including coinsurance, which are grouped into the mutual mortgage insurance fund, cooperative management housing insurance fund, general insurance fund, and the special risk insurance fund.

The appropriation reimburses the FHA fund for losses sustained by the special risk insurance fund and the general insurance fund. These losses are largely attributable to the sale of HUD-acquired properties and the liquidation of assigned mortgages. The general insurance fund provides for a large number of specialized mortgage insurance programs, including the insurance of loans for property improvements as well as for cooperatives, condominiums, housing for the elderly, land development, group practice medical facilities, and nonprofit hospitals. The special risk insurance fund provides mortgage insurance on behalf of mortgagors eligible for interest reduction payments who otherwise would not be eligible for mortgage insurance; insurance on mortgages covering experimental housing where strict adherence to State or local building regulations is not observed; and insurance for high-risk mortgagors who normally would not be eligible for mortgage insurance.

The administration intends to implement the temporary mortgage assistance payments program (TMAP), designed to prevent precipitous foreclosure by helping insured homeowners who have experienced temporary financial difficulties and cannot make their full monthly mortgage payments. This program is being viewed by the administration as a practical alternative to the current home mortgage assignment program. Under the TMAP program, HUD would make monthly payments on behalf of single family mortgagors who are at least 3 months in arrears as a result of economic reversals which temporarily prevent the mortgagors from making up their delinquency.

The Department also is proposing a limitation of $50,900,000,000 for gross mortgage and loan insurance commitments during fiscal year 1985. This request represents no change from the limitation of $50,900,000,000 provided for fiscal year 1984. The proposed limitation assumes continued strength in mortgage market activity, but a gradual reduction to the FHA share of that market.

The 1985 budget also proposes a direct loan limitation of $65,448,000 for additional direct loan assistance for an estimated 4,320 homeowners under the TMAP program.

COMMITTEE RECOMMENDATION

The Committee recommends $387,683,000 to fund unrestored losses to the Federal Housing Administration fund. These losses were incurred in 1983 from the liquidation of assigned mortgages and the sale of HUD-owned properties. The appropriation includes $155,386,000 for the special risk insurance fund and $232,297,000 for the general insurance fund. Through fiscal year 1984, $3,594,768,000 has been appropriated to cover losses in these two funds.

The budget also requests language limiting temporary mortgage assistance payments to $65,448,000 in fiscal year 1985. The bill includes the requested limitation.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

PAYMENT OF PARTICIPATION SALES INSUFFICIENCIES

1984 appropriation	$1,997,000
1985 budget estimate	745,000
House allowance	745,000
Committee recommendation	745,000

The Committee recommends an appropriation of $745,000. This is the same as the request and the House allowance.

PROGRAM DESCRIPTION

In accordance with the Housing Act of 1964, the participation sales program provides for the pooling of mortgages or other types of obligations of certain Government departments and agencies, and the sale by GNMA of beneficial interests or participations in these pools. The Participation Sales Act of 1966 authorized appropriations to cover payments for insufficiencies in the amount required to be paid on the outstanding participations. These insufficiencies are comprised of interest payments to holders of participation certificates in excess of the interest payments received from the pooled mortgages or other obligations.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of $745,000 to cover the insufficiencies that arise from participation sales of mortgages. This is the same as the budget request and House allowance. The appropriation covers the excess interest payments to holders of participation certificates above the interest payments received from mortgages pooled by the Government and represents a contractual obligation made when the sales were consummated.

GUARANTEES OF MORTGAGE-BACKED SECURITIES

(LIMITATION ON GUARANTEED LOAN)

1984 limitation	$68,250,000,000
1985 budget estimate	68,250,000,000
House allowance	68,250,000,000
Committee recommendation	68,250,000,000

The Committee recommends a loan limitation of $68,250,000,000 for the mortgage-backed securities program. This is the same as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

The Government National Mortgage Association (GNMA) through the mortgage-backed securities program, guarantees privately issued securities backed by pools of mortgages. GNMA is a wholly-owned corporate instrumentality of the United States within the Department of Housing and Urban Development. Its powers are prescribed generally by title III of the National Housing Act, as amended. GNMA is authorized by section 306(g) of the act to guarantee the timely payment of principal and interest on securities that are based on and backed by a trust or pool composed of mortgages that are guaranteed by the Federal Housing Administration, the Farmers Home Administration, or the Veterans Administration. GNMA's guarantee of mortgage-backed securities is backed by a full faith and credit of the United States.

The proposed commitment level of $68,250,000,000 for fiscal year 1985 reflects no change from the estimated 1984 commitment level.The calculation of the requested commitment limit is based on the relationship, historically measured, between FHA and VA volume and GNMA activity.

In July 1983, GNMA initiated the GNMA II program in an effort to bring state-of-the-art technology into the existing program. GNMA II provides issuers with the ability to mix loans with different interest rates in the same pool. This is especially important during periods of rapidly changing interest rates. Moreover, this initiative reduces the cost of securities administration by eliminating the requirement for lenders to make individual monthly payments to certificate holders through the use of a central paying agent.

COMMITTEE RECOMMENDATION

The Committee recommends a GNMA limitation on guaranteed loans of $68,250,000,000 in fiscal year 1985. This is the same as the budget request and the House allowance.

The Housing and Urban-Rural Recovery Act of 1983 repealed the Government National Mortgage Association's authority to issue new commitments under the special assistance functions and emergency mortgage purchase assistance programs. This places both funds into liquidation status. The Department is proposing appropriation language for fiscal year 1985 to: (1) forgive all outstanding Treasury borrowings issued under both accounts effective October 1, 1984; and (2) transfer all remaining assets and liabilities of both funds to the management and liquidating functions fund. The Committee is in agreement with both proposals and has included the requested language in the bill.

SOLAR ENERGY AND ENERGY CONSERVATION BANK

ASSISTANCE FOR SOLAR AND CONSERVATION IMPROVEMENTS

1984 appropriation	$25,000,000
1985 budget estimate	....
House allowance	25,000,000
Committee recommendation	....

The Committee does not recommend any funds for the Solar Energy and Energy Conservation Bank in fiscal year 1985. This is the same as the budget estimate and $25,000,000 less than the House allowance.

PROGRAM DESCRIPTION

The Solar Energy and Energy Conservation Bank was established by title V of the Energy Security Act of 1980 to encourage energy conservation and the use of solar energy to reduce the Nation's dependence on foreign sources of energy supplies. The Bank's financial assistance program provides: (1) loan subsidies and matching grants for energy conservation in one- to four-family and multifamily residential buildings completed prior to 1980; (2) loan subsidies for energy conservation in commercial and agricultural buildings completed prior to 1980 with nonprofit owners; and (3) loan subsidies for passive and active solar energy systems in existing and newly constructed one- to four-family and multifamily residential buildings and commercial and agricultural buildings with nonprofit owners.

The Department proposes that no additional budget authority be enacted for the Bank in 1985.

COMMITTEE RECOMMENDATION

The Committee does not recommend any new funding for the Solar Energy and Energy Conservation Bank during fiscal year 1985.

The Committee notes that as of April 9, 1984, only $1,600,000 or 5.3 percent of the $30,100,000 obligated to program participants had been disbursed. An additional $36,000,000 is planned for obligation during 1984 of which $18,700,000 has already been tentatively allocated. In view of the present low-disbursement level, the Committee believes the $36,000,000 planned for obligation during 1984 (in addition to the $30,000,000 already obligated) will make sufficient funds available to participants for use in 1985. Therefore, an additional appropriation for 1985 is unnecessary.

The Committee believes that the Bank should continue to use the competitive grant process that was used during the first round of awards. The Bank should not use formulas which set ceilings automatically on the amounts that any State may apply for, regardless of the competitive merit of the proposal.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT GRANTS

1984 appropriation	$3,468,000,000
1985 budget estimate	3,468,000,000
House allowance	3,468,000,000
Committee recommendation	3,472,000,000

The Committee recommends an appropriation of $3,472,000,000. This is $4,000,000 above the budget estimate and the House allowance.

PROGRAM DESCRIPTION

Under title I of the Housing and Community Development Act of 1974, as amended, the Department is authorized to award block grants to units of general local government and States for the funding of local community development programs. The community development grants finance activities previously eligible under separate categorical grant programs. Spending priorities are determined at the local level, but the law enumerates general objectives which the block grants are designed to fulfill, including adequate housing, a suitable living environment and expanded economic opportunities for lower-income groups. Grant recipients are required to estimate their low-income housing needs and address them in the overall community development plan they submit to receive their grant.

The Housing and Community Development Act of 1977 changed the original single statutory formula for distributing grant funds to eligible recipients, in recognition that the original formula did not adequately assess the relative needs of older urban centers. Under provisions of the 1977 act, funds are distributed to eligible recipients for community development purposes utilizing the higher of two objective formulas, one of which gives somewhat greater weight to the age of housing stock.

The Housing and Community Development Amendments of 1981 include a scaled-down Secretary's discretionary fund, an entitlement program for large cities and urban counties, a block grant (nonentitlement) program for the States to assist their smaller localities, and a revised method of fund distribution. Beginning in 1982, funds appropriated are distributed 70 percent to entitlement communities and 30 percent to nonentitlement communities after deducting a designated amount for the Secretary's discretionary fund.

The Housing and Urban-Rural Recovery Act of 1983 further amended the Housing and Community Development Act of 1974 to require States and entitlement communities to use at least 51 percent of their community development block grant funds for activities that benefit low- and moderate-income persons. This act also amended the 1974 act by providing that any State electing to administer the nonentitlement (small cities) program in fiscal year 1985, or thereafter, shall be considered to have assumed this responsibility permanently; and, if it fails to provide an annual submission, funds will be reallocated among all States in the succeeding year.

The budget proposes discontinuing the section 108 loan guarantee program in 1985. A commitment limitation of $225,000,000 was available for this program in 1984. The budget also proposes elimination of the present authority which allows grantees to draw down in a lump sum their total grant amount for rehabilitation activities before the funds are needed.

COMMITTEE RECOMMENDATION

The Committee recommends $3,472,000,000 for the community development block grant program. This is $4,000,000 more than the budget request and the House allowance.

The Committee added $4,000,000 above the House and request level for the Secretary's discretionary fund. This increase will result in a fund level of $60,500,000 for fiscal year 1985 or $7,700,000 less than the fiscal year 1984 level. The Committee expects that the Department will target a significant portion of these funds for special projects involving community and infrastructure needs. The Committee also expects the Department to target some of these funds for additional technical assistance, especially for small UDAG eligible communities. This is consistent with the actions taken by the Committee in reference to expanding the proportion of cities getting their first UDAG grant.

The Committee commends the Department for the formation of its district heating/cooling program and expects to see the Department continue it in fiscal year 1985. The Committee understands that over 100 cities submitted applications in response to the initial solicitation for phase I grants demonstrating a much wider interest than current program levels are serving. It is the intent of the Committee that HUD conduct another round of phase I awards in fiscal year 1985 and that the Department develop an ongoing program of financial and technical support, at least at the current level of funding, to include but not to be limited to the initial assessment, design, financial packaging, and marketing phases of district heating/cooling system development.

The Committee is also aware of a number of problems caused by recent tornadoes, floods, and other disasters. It is the committee's desire that the Department be as flexible as possible in attempting to use whatever resources are available to assist these communities in restoring local facilities.

Finally, language has been included in the bill limiting loans under section 108 to $225,000,000, the same level as in 1984. Under this program, the Secretary is authorized to issue Federal loan guarantees for local government to cover the costs of acquiring real property or rehabilitating real property owned by the units of general government. A total of 22 loan guarantee commitments amounting to $60,600,000 were issued in fiscal year 1983. The Committee is concerned that HUD utilized only 27 percent of the $225,000,000 section 108 loan guarantee authority provided in fiscal year 1983. The Committee believes a reason for the decline in the use of section 108 loan guarantee authority is HUD's administrative decision to terminate the successful "demonstration program" which had provided many entitlement communities added flexibility in the use of Federal funds, in addition to the ability to leverage those funds with private dollars. Thus, the Committee directs HUD to actively reinstate the seciton 108 "demonstration program," by extending the normal 6-year maturity of section 108 loan guarantees to 20 years in those cases where economic development projects meet the special conditions applicable for funding approval under the previous administration of the "demonstration program."

URBAN DEVELOPMENT ACTION GRANTS

1984 appropriation	$440.000.000
1985 budget estimate	440.000.000
House allowance	440.000.000
Committee recommendation	440,000,000

The Committee recommends an appropriation of $440,000,000. This is the same as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

Under section 119 of the Housing and Community Development Act of 1974, as amended, the Department is authorized to award urban development action grants (UDAG). The Housing and Community Development Amendments of 1981 include a revised action grant program which relies on increased local flexibility and minimizes Federal involvement.

The primary objective of UDAG is to revitalize distressed communities by stimulating economic development, which in turn will create new permanent jobs and new sources of tax revenue. Grants assist severely distressed cities, towns, and urban counties in the revitalization of their economic bases and the reclamation of deteriorated neighborhoods.

Under provisions of the Housing and Community Development Amendments of 1979 assistance may be provided also for economic development and neighborhood revitalization projects targeted to severely distressed areas, or pockets of poverty in otherwise nondistressed communities. The Secretary is authorized to use up to 20 percent of the UDAG funds appropriated for the purpose of making grants to eligible pockets of poverty jurisdictions.

A major focus of the UDAG program, and one that tends to distinguish it from other urban aid programs, is the requirement that leveraging of private investment in discrete projects in distressed cities and urban counties must be in evidence before UDAG funding is approved.

COMMITTEE RECOMMENDATION

The Committee recommends $440.000.000 for the urban development action grant program.

In the report accompanying the fiscal year 1984 HUD bill (Public Law 98–45), the Committee provided an additional $2,000,000 in the Secretary's discretionary fund, to increase technical assistance to small communities in conjunction with the UDAG program. The Committee's concern resulted from a recent GAO study that showed that 73 percent of eligible small cities, who had not applied for UDAG grants, were not aware of the program. Although over 2,200 UDAG grants totaling over $3,400,000,000 have been made available through this program, only 9.2 percent of the 10,713 eligible cities have received such grants and on the average 2.2 grants have been made per grantee—with some 12 cities getting over 17 grants each.

The Committee bill contains a provision that would require the Department to allocate $2,500,000 of the $440,000,000 provided for UDAG grants to cities which had not received UDAG grants prior to fiscal year 1985. This $2,500,000 would be used to provide technical assistance to these cities.

The Committee desires that, in making new grant awards, HUD work toward increasing the number of awards to cities not previouisly receiving a UDAG award. If, for example, a 50-percent stipulation had been applied to the previous four quarters, the number of new cities in the program would have been increased by 81 cities or 38 percent. HUD is to inform the Committee of its efforts to bring new cities into the program after each UDAG funding cycle.

REHABILITATION LOAN FUND

PROGRAM DESCRIPTION

Section 312 of the Housing Act of 1964, as amended, authorized the Secretary to make loans for the rehabilitation of single family and multifamily residential properties and nonresidential properties in federally aided community development grant, urban homesteading, urban renewal and code enforcement areas certified by local governments. In fiscal year 1982, financial assistance was available for rehabilitation of multifamily residential units, and single family units which are located in urban homesteading areas. The Housing and Urban-Rural Recovery Act of 1983 (Public Law 98–181) prohibits funding priority based on (1) type of dwelling unit, or (2) the receipt of assistance for housing or community development, other than assistance for local homesteading programs. Because of these prohibitions, the use of loans for multifamily, single family, and nonresidential properties will be at the discretion of participating localities. Section 312 assistance is available only when financing cannot be obtained, on comparable terms and conditions, from other sources. In most cases, the rehabilitation work must make the property conform to applicable rehabilitation standards established by the community.

In 1984, the Department has indicated it intends to charge a minimum interest rate of 3 percent for low-income families and a floating interest rate for all other loans. This latter rate is computed by using the rates published in the press on the day the loans are approved. The Department also intends to charge section 312 loan applicants an application fee which would be credited to the fund and then transferred to the "Salaries and expenses" account where it would cover administrative expenses associated with the program. (Supplemental language has been proposed to permit the transfer to salaries and expenses in 1984.) Also proposed is a risk fee of 1 percent for each loan. The amount is in addition to the basic interest rate charged the borrower. The risk fee is being charged to compensate for losses in the program. The funds collected from the risk fee would be credited to the section 312 account.

The Department proposes to terminate the rehabilitation loan program at the end of fiscal year 1985. The administration believes that the section 312 program duplicates rehabilitation efforts funded by community development block grants and that more effective results can be realized under the rental rehabilitation grants program.

COMMITTEE RECOMMENDATION

The Committee recommends the continuation of this program during fiscal year 1985. An estimated $80,000,000 from repayments and other income sources will be available in 1985 for new loans and other expenses. The Committee has included language in the bill to continue the program in 1985 with repayments. The Department is directed to allocate sufficient staff to maintain this program level.

URBAN HOMESTEADING

1984 appropriation	$12,000,000
1985 budget estimate	12,000,000
House allowance	12,000,000
Committee recommendation	12,000,000

The Committee recommends an appropriation of $12,000,000 for the urban homesteading program. This is the same as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

Section 810 of the Housing and Community Development Act of 1974, as amended, authorizes the Secretary to transfer, without payment, to a unit of general local government, State or public agency, any HUD-owned, unoccupied, one- to four-family residences for use in an approved urban homesteading program.

In addition, section 810 authorizes the Administrator of Veterans Affairs and the Secretary of Agriculture to transfer their unoccupied, one- to four-family residences for use in HUD-approved urban homesteading programs.

The Housing and Urban-Rural Recovery Act of 1983 amended section 810 of the 1974 act to permit the Department to conduct two demonstration programs during fiscal years 1984 and 1985. First, the Secretary is authorized to convey to a unit of general local government or public agency any HUD-owned multifamily property the Secretary determines is suitable for use in a multifamily homesteading program. Second, the Secretary is authorized to use up to $1,000,000 of the urban homesteading appropriation in each of fiscal years 1984 and 1985 for a program to demonstrate the feasibility to providing assistance to State or local governments in purchasing one- to four-family properties for conveyance to lower income families.

The funds appropriated for urban homesteading will reimburse the Federal Housing Administration fund for HUD-owned properties, the Administrator of Veterans Affairs for Veterans Administration (VA) properties, and the Secretary of Agriculture for Farmers Home Administration (FmHA) properties used by approved homesteading localities, as well as provide assistance to State and local governments.

COMMITTEE RECOMMENDATION

The Committee recommends $12,000,000 for the urban homesteading program. This will permit the transfer of 1,160 single family properties in 1985, which includes approximately 150 VA and 75 FmHA properties. Funds not exceeding $1,000,000 are made available for continuation of the one- to four-family property feasibility demonstration. In addition $3,000,000 of the appropriation is to be used to support the multifamily homesteading demonstration. This amount would permit the transfer of 15 HUD-held multifamily properties, averaging 30 units each.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

1984 appropriation	$19,000,000
1985 budget estimate	20,900,000
House allowance	15,900,000
Committee recommendation	20,000,000

The Committee recommends an appropriation of $20,000,000. This is $900,000 less than the budget estimate and $4,100,000 more than the House allowance.

PROGRAM DESCRIPTION

Title V of the Housing and Urban Development Act of 1970, as amended, directs the Secretary of the Department of Housing and Urban Development to undertake programs of research, studies, testing, and demonstrations related to the Department's mission. These functions are carried out through grants to and contracts with industry, nonprofit research organizations, educational institutions, and through agreements with State and local governments and other Federal agencies. The research program serves as a focal point for research, analysis, data collection, and dissemination of concerns and issues related to the major programs and objectives of the Department.

In 1985, the research and technology program will provide analytic support to the Department's effort to improve the operation of its programs. Particular areas of study will include: (1) increasing the efficiency and effectiveness of assisted housing programs through reforms of existing programs and evaluation of alternative programs; (2) analyses of new or improved alternatives for urban economic development;

(3) analyses of Federal housing finance programs, financial institution regulation and reform, and alternative tax and other financial incentives for housing; (4) ways to reduce the component costs of housing (costs of development, building, financing, and operating); (5) development and dissemination of information about better methods for city management and delivery of local government services; (6) identification of successful neighborhood strategies and development of guidance materials on community growth strategies; and (7) ways to promote more effective enforcement of the fair housing laws.

COMMITTEE RECOMMENDATION

The Committee recommends $20,000,000 for this account. This is $900,000 less than the budget request and $4,100,000 more than the House allowance. The Committee reduced PD&R funding to the fiscal year 1984 base level of $19,000,000 and then added funds for two additional studies of $500,000 each for a total of $20,000,000. Within the total, $10,220,000 will be needed to update housing survey data (American housing survey) and another $2,775,000 will be needed to research the housing needs of low-income households and of special user groups (elderly and handicapped, large families, et cetera), as well as to do research focused on rural housing needs.

The Senate version adds $500,000 for two aspects of the congressionally-mandated modernization (CIAP) study. This will assure that the previously appropriated $4,000,000 for the CIAP study will be sufficient to accomplish the main purpose of the study—highly reliably estimates of public housing modernization needs. At this same time, HUD would—with the extra money—be able to continue its work on the CIAP management and energy audit aspects of the study.

A second $500,000 was added to begin the evaluation of the voucher demonstration program. This will permit an assessment of the extent to which vouchers are appropriate for various segments of the population (elderly, large families, learning disabled, et cetera) in communities with different types of housing needs and vacancy rates.

Although the amount made available for PD&R is small relative to the total HUD budget, it is deemed to be sufficient because of the congressional targeting of funds to high priority areas.

The Committee concurs with the concerns raised by the House relative to the revision of "sole-source" awards. The Committee believes that higher level review of grants and cooperative agreements is also needed to assure the justification for "sole-source" awards, the qualification of potential grantees, and the relevance of the work to HUD's principal missions.

While the Committee recognizes that financial constraints have made it necessary to reduce the sampling in the annual housing survey, it believes the reductions have been too severe. Consequently, the Committee directs that the three largest cities eliminated (Sacramento, Calif.; Albany, N.Y.; and Louisville, Ky.) continue to be included in the survey.

Fair Housing and Equal Opportunity

FAIR HOUSING ASSISTANCE

1984 appropriation	$4,700,000
1985 budget estimate	6,700,000
House allowance	6,700,000
Committee recommendation	6,700,000

The Committee recommends an appropriation of $6,700,000. This is the same as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

The fair housing assistance program helps State and local agencies to implement title VIII of the Civil Rights Act of 1968, which prohibits discrimination in the sale, rental, and financing of housing and in the provision of brokerage services. The major objective of the program is to assure prompt and effective processing of title VIII complaints with appropriate remedies for complaints by State and local fair housing agencies. The program also provides assistance to community housing resource boards, which enhance the ability of the Department to carry out its voluntary compliance and enforcement program. The community housing resource boards consist of representatives of community organizations throughout a metropolitan area and serve in an advisory capacity to the housing industry, reviewing the progress and effectiveness of voluntary compliance and enforcement agreements.

COMMITTEE RECOMMENDATION

The Committee recommends the budget estimate of $6,700,000 for this activity in fiscal year 1985. This includes $4,700,000 in grants to support approximately 100 State and local fair housing agencies for capacity building, training, and complaint processing and monitoring. In addition, $2,000,000 is provided to support community housing resource boards.

Management and Administration

SALARIES AND EXPENSES

	By transfer	*FHA funds (by transfer)*
1984 appropriation	$300,950,000	($271,114,000)
1985 budget estimate	295,235,000	(282,085,000)
House allowance	295,235,000	(282,085,000)
Committee recommendation	298,135,000	(282,085,000)

The Committee recommends an appropriation of $298,135,000. This is $2,900,000 more than the budget estimate and the House allowance.

PROGRAM DESCRIPTION

The appropriation proposed by the Committee would finance all salaries and related expenses associated with administering the programs of the Department of Housing and Urban Development, including the following activities:

1. *Housing and mortgage credit programs.*—This activity includes staff salaries and related expenses associated with administering housing programs, the implementation of consumer protection activities in the areas of interstate land sales, mobile home construction and safety, and real estate settlement procedures, and the Government National Mortgage Association (GNMA).

2. *Community planning and development programs.*—Funds in this activity are for staff salaries and expenses necessary to administer community planning and development programs.

3. *Equal opportunity and research programs.*—This activity includes salaries and related expenses associated with implementing equal opportunity programs in housing and employment as required by law and executive orders and the administration of research programs and demonstrations.

4. *Departmental management, legal and audit services.*—This activity includes a variety of general functions required for the Department's overall administration and management. These include the Office of the Secretary, Office of General Counsel, and the Office of Inspector General as well as administrative support in such areas as accounting, personnel management, contracting and procurement, and office services.

5. *Field direction and administration.*—This activity includes salaries and expenses for the regional administrators, area office managers, and their staffs who are responsible for the direction, supervision, and performance of the Department's field offices, as well as administration support in areas such as accounting, personnel management, contracting and procurement, and office services.

COMMITTEE RECOMMENDATION

The Committee recommends $298,135,000, in direct appropriations plus $282,085,000 from various funds of the Federal Housing Administration, for salaries and expenses of the Department of Housing and Urban Development in 1985. This amount, together with an estimated $8,846,000 in transfers from other sources, will provide a total of $589,066,000 for management of HUD. The Department estimates this level of funding will support 12,627 staff years.

Within the funds available, the Committee directs the Department to provide $1,000,000 to the Housing Assistance Council. This amount is $50,000 above the amount earmarked in fiscal year 1984. The council is a nonprofit organization which attempts to improve housing credit availability and sanitation facilities in rural areas. The Committee strongly supports continued funding of the council as it represents one of HUD's few rural oriented efforts.

The Committee restored $2,900,000 which HUD proposed to save by further reductions in regional and area office staff. The Committee directs that no reductions be made in any area office staff during fiscal 1985 if that office has been reduced by more than 15 percent over the fiscal 1981 level and that any of the $2,900,000 not used to maintain area office staff at such levels be used to restore area office staffing in those offices, such as Louisville, Ky., which have suffered disproportionate reductions since 1981

TITLE II—INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

1984 appropriation	$10,462,000
1985 budget estimate	11,065,000
House allowance	11,065,000
Committee recommendation	11,065,000

The Committee recommends an appropriation of $11,065,000 for the salaries and expenses of the American Battle Monuments Commission. This is the same as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

The American Battle Monuments Commission is responsible for the maintenance and construction of U.S. monuments and memorials commemorating the achievements in battle of our Armed Forces since April 6, 1917; for controlling the erection of monuments and markers by U.S. citizens and organizations in foreign countries; and for the design, construction, and maintenance of permanent military cemetery memorials in foreign countries. The Commission maintains 24 military cemetery memorials on foreign soil; 14 monuments and memorials not a part of the cemeteries; and 2 bronze tablets. In addition, the Commission administers four large memorials on U.S. soil.

On October 1, 1979, the Commission assumed responsibility for the operation, care, and maintenance of the American sector of the Corozal Cemetery in the Panama Canal Zone, as directed in Executive Order 12115. This sector, now called the Corozal American Cemetery, contains the remains of 4,795 American veterans and others. Raising the appearance, facilities, and care of the Corozal American Cemetery to the high standards of the other cemetery memorials of the American Battle Monuments Commission has been one of the Commission's major goals during the past 4 years. This goal generally will be realized in fiscal 1985.

COMMITTEE RECOMMENDATION

The Committee recommends $11,065,000 for the American Battle Monuments Commission. This is the same as the budget request and the House allowance.

These funds are sufficient to administer, operate, and maintain the American Battle Monuments Commission's military cemeteries, monuments, and memorials throughout the world. This amount will support 387 positions in fiscal year 1985.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

1984 appropriation	$35,000,000
1985 budget estimate	35,000,000
House allowance	36,000,000
Committee recommendation	35,000,000

The Committee recommends an appropriation of $35,000,000 for the salaries and expenses of the Consumer Product Safety Commission. This is the same as the budget estimate and $1,000,000 less than the House allowance.

PROGRAM DESCRIPTION

The Commission is an independent regulatory agency that was established on May 14, 1973, and is responsible for protecting the public against unreasonable risks of injury from consumer products; assisting consumers to evaluate the comparative safety of consumer products; developing uniform safety standards for consumer products and minimizing conflicting State and local regulations; and promoting research and investigation into the causes and prevention of product-related deaths, illnesses, and injuries.

In carrying out its mandate, the Commission establishes mandatory product safety standards, where appropriate, to reduce the unreasonable risk of injury to consumers from consumer products; helps industry develop voluntary safety standards; bans unsafe products if it finds that a safety standard is not feasible; monitors recalls of defective products; informs and educates consumers about product hazards; conducts research and develops test methods; collects and publishes injury and hazard data, and promotes uniform product regulations by governmental units.

The 1981 amendments to the Consumer Product Safety Act (CPSA) require the Commission to analyze costs and benefits of proposed rules, consider the protection afforded by existing voluntary standards and voluntary standards which could be developed and examine all reasonable alternatives to mandatory requirements before proposing standards and major regulations, and again before issuing any such rule on a final basis.

To meet its obligations under the Consumer Product Safety Act and the other legislative mandates listed above, the Commission has developed the following set of programs which address specific product hazards: emerging hazards; fire and thermal burn hazards; electrical hazards; chemical hazards; children's and recreational product hazards; power equipment hazards; and mechanical hazards involving household and structural products.

COMMITTEE RECOMMENDATION

The Committee recommends $35,000,000 for the activities of the Consumer Product Safety Commission. This is the same as the budget request and $1,000,000 less than the house allowance.

The Committee commends the Commission for continuing to emphasize the priority projects in its budget justification. The Committee strongly encourages the Commission to continue to provide information identifying hazard and injury data, objectives, milestones, and measurements of effectiveness for each of the priority projects in future budget justifications.

The nine priority projects chosen for fiscal year 1985 are chlorocarbons, electrocution hazards, gas heating systems, indoor air quality, nursery equipment, portable electric heaters, riding mowers, toxicity of combustion products, and safety for older consumers.

The Committee continues to encourage the Commission to limit the priority projects to areas where specific objectives and schedules can be established. The Committee is pleased to note that the Commission deleted juvenile sports equipment from its fiscal year 1985 priority list. Juvenile sports equipment, because of its generic nature, was one of the priorities the Committee noted it had concerns with in fiscal year 1984. The Committee expects that in fiscal year 1985, the Commission will devote at least as large a percentage of its total appropriation to the nine priority areas as was provided in fiscal year 1984.

The Committee continues to closely monitoring the Commissions evaluation of the information and education (I&E) projects initiated in 1984. The Committee expects the final evaluation reports on the three (I&E) campaigns to be provided prior to October 1, 1984, and restates its desire that the evaluations assess behavioral changes in order to determine the program's tangible benefits and ultimate success in reducing deaths and injuries. The Commission should seek the Committee's approval before initiating any new (I&E) campaigns.

The Committee notes that the Commission has had to absorb a portion of the pay increases during the past 2 years and wishes to indicate its intent to provide full funding for fiscal year 1985. The Commission is expected to notify the Committee of thier fiscal year 1985 pay requirements when they become known.

The Committee retained the existing bill language concerning the hire of passenger motor vehicles, services as authorized by 5 United States Code 3109 at rates for individuals not to exceed the per diem equivalent to the rate for GS-18, and limiting funds appropriated for laboratories to the acquisition or conversion of existing laboratories.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

1984 appropriation	$8,203,000
1985 budget estimate	7,759,000
House allowance	7,759,000
Committee recommendation	7,759,000

The Committee recommends an appropriation of $7,759,000 for the cemeterial expenses of the Department of the Army. This is the same as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

Responsibility for the operation of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery is vested in the Secretary of the Army. As of September 30, 1983, Arlington and Soldiers' and Airmen's Home National Cemeteries contained the remains of 204,381 persons and comprised a total of approximately 628 acres. There were 2,787 interments and 881 inurnments in fiscal year 1983; 2,910 interments and 910 inurnments are estimated for the current fiscal year; and 2,980 interments and 920 inurnments for fiscal year 1985. During fiscal year 1985 two construction projects, that is, final design of permanent visitors center and parking facility and road repair, will be undertaken at Arlington National Cemetery.

COMMITTEE RECOMMENDATION

The Committee recommends $7,759,000 for Army cemeterial expenses. This is the same as the budget request and the House allowance. Of the $7,759,000 proposed by the Committee, $6,211,000 for the operation and maintenance of the Arlington National Cemetery and the Soldiers' and Airmen's Home National Cemetery. The recommendation includes $1,223,000 for construction at Arlington National Cemetery, of which $400,000 is for the final design of the permanent visitors center and the remainder is for the repair of cemetery roads. The recommendation also contains $325,000 for administrative expenses.

ENVIRONMENTAL PROTECTION AGENCY

1984 appropriation	$3,998,100,000
1985 budget estimate	4,293,254,000
House allowance	4,358,275,000
Committee recommendation	4,380,454,000

The Committee recommends an appropriation of $4,380,454,000 for all of EPA's programs in fiscal year 1985. This amount is $87,200,000 more than the budget estimate and $22,179,000 more than the House allowance.

GENERAL DESCRIPTION

The Environmental Protection Agency (EPA) was created through an executive reorganization plan—Reorganization Plan No. 3 of 1970—designed to consolidate certain Federal Government environmental activities into a single agency. The plan was submitted by the President to the Congress on July 8, 1970 and the Agency was established as an independent agency in the executive branch on December 2, 1970 by consolidating 15 components from 5 departments and independent agencies.

A description of EPA's pollution control programs by media follows:

Air.—The Clean Air Act authorizes a national program of air pollution research, regulation, and enforcement activities. Under the act, primary responsibility for the prevention and control of air pollution at its sources rests with State and local government, with a strong mandate that the Environmental Protection Agency take action when States do not fulfill their responsibilities. EPA's role is to conduct research and development programs, insure that adequate standards and regulations are established to meet environmental goals set by the act, support State and local control activities, and insure that the standards and regulations are effectively enforced. The air program encompasses activities related to the development and implementation of air pollution control strategies and achievement of air quality standards.

Water quality.—The Clean Water Act, as amended in 1977 and 1981, provides the framework for protection of the Nation's waters. The law recognizes that it is the primary responsibility of the States to prevent, reduce, and eliminate water pollution. The States determine the desired uses for their waters, set standards, identify current uses, and, where uses are being impaired or threatened, develop plans for the protection or restoration of the designated use. They implement the plans through control programs such as permitting and enforcement, construction of municipal wastewater treatment works, and nonpoint source control practices.

The Marine Protection, Research, and Sanctuaries Act also forms a part of the framework to protect the Nation's waters. It authorizes the Agency to regulate ocean dumping through the development of regulations and criteria and through an ocean dumping permit program.

The Environmental Protection Agency has the role of establishing national regulations and guidelines to assure that the goals of the acts are met; conducting research and development on methods, procedures, and technologies for water pollution control; making grants to support State and local activities; and insuring that standards and regulations are enforced effectively.

Drinking water.—The purpose of the drinking water program is to assure that the Nation's public drinking water is safe. In the time since a Federal role was established with the Safe Drinking Water Act of 1974, the number of community water systems that are regularly monitoring drinking water quality in conformance with consistent national regulations has increased fourfold. Compliance with the microbiological maximum contaminant level and with monitoring and reporting requirements has increased over the years, so that by the end of 1982 only 8 percent of the community systems were classified as persistent violators of these requirements.

The drinking water program encompasses the following activities: (1) establishing national drinking water standards; (2) protecting underground sources of drinking water, particularly by controlling underground injection of wastes; (3) assisting the States in assuming primary responsibility for monitoring and enforcing compliance with national standards and regulations; and (4) implementing programs for public water system supervision and underground injection control in States.

Hazardous waste.—The Solid Waste Disposal Act, amended by the Resource Conservation and Recovery Act of 1976 (RCRA) established the first national program to protect public health and the environment from the damages caused by improper waste management practices, and mandated EPA to develop a regulatory program which will reduce risks from improper hazardous waste disposal practices. The act authorized a national program of hazardous waste research, regulation, implementation, enforcement, and financial assistance to support State implementation of this program. EPA's strategy for addressing these responsibilities under RCRA places emphasis on the implementation of a regulatory program for control of hazardous wastes and authorization of State programs to assume responsibility for control of hazardous wastes.

Pesticides.—The objective of the pesticide program is to protect the public health and the environment from unreasonable pesticide risks while permitting the use of necessary pest control technologies. This objective is pursued by EPA through three principal means: (1) review of existing and new pesticide products; (2) enforcement of pesticide use rules; and (3) research and development to reinforce the ability to evaluate the risks and benefits of pesticides.

Radiation.—The radiation programs' major emphasis is to minimize the exposure of persons to ionizing radiation, whether from naturally occurring sources, from medical or industrial applications or nuclear power sources. While some exposure to radiation is inevitable, EPA takes the position that no avoidable risk attributable to such exposure should occur to individuals or to the environment without offsetting benefits. EPA pursues this protective goal through three interdependent sets of activities; (1) development of criteria, standards, and guidelines; (2) assessment of the environmental impact of other Federal agency projects and programs; and (3) surveillance of radiation levels in the environment.

Toxic substances.—The Toxic Substances Control Act (TSCA) establishes a program to stimulate the development of adequate data on the effects of chemical substances on health and the environment, and control action for those chemicals which present an unreasonable risk of injury to health or the environment. The act's coverage is broad, affecting more than 60,000 chemicals currently in commerce and all new chemicals.

The major programs that the Agency must develop and implement to carry out the provisions of the act are those to: (1) require testing of chemicals and submission of reports of existing information by industry and review these and other data to determine chemical hazards; (2) review and act on new chemical and significant new use notifications by industry; (3) control the manufacturing, processing, distribution, use, and disposal of existing chemicals that pose unreasonable risks to health and the environment; (4) enforce these statutory and regulatory programs; (5) conduct research and development to support the implementation of the law; and (6) insure that all Agency programs dealing with toxic substances coordinate and integrate risk assessments, priority-settings and regulatory actions.

Interdisciplinary.—The interdisciplinary medium is designed to support programs where the problems, tools, and results are multidisciplinary in nature and must be coalesced into an integrated program. This integrated program encompasses the Agency's litigation and enforcement policy and litigation activities. This concept is also employed in the Agency's efforts to advance the state-of-the-art in the Agency's scientific capabilities and knowledge, to review other agencies' environmental impact statements (EIS's), to prepare new source EIS's, and to promote compliance of Federal activities with regulations for environmental pollution control.

Energy.—The primary objective of the energy research and development program is to insure that the Nation's energy production and utilization practices proceed in an environmentally acceptable manner. Satisfying this objective requires research and development activities in three distinct areas. These are: (1) developing the scientific data necessary to understand the phenomena of acid precipitation; (2) developing the necessary health and environmental data base associated with new or emerging energy processes; and (3) developing the necessary performance, reliability, and cost data on the limestone injection multistage burner pollution control process.

SALARIES AND EXPENSES

1984 appropriation	$574,900,000
1985 budget estimate	639,275,000
House allowance	672,275,000
Committee recommendation	639,275,000

The Committee recommends an appropriation of $639,275,000. This amount is the same as the budget estimate and $33,000,000 less than the House allowance.

PROGRAM DESCRIPTION

The salaries and expenses appropriation supports all costs of administering EPA's programs, exclusive of grant programs and contractual agreements for specific programs. This account provides support for executive direction, management, and support for all Agency programs at headquarters and the 10 regional offices. In addition to personnel and administrative costs associated with abatement, control and compliance, research and development, and enforcement activities, the salaries and expenses appropriation supports the following functions:

1. *Program management.*—This activity covers the salaries and related expenses for the assistant administrators and immediate staffs in the Offices of Water; Air and Radiation; Pesticides and Toxic Substances; Solid Waste and Emergency Response; Research and Development; Enforcement and Compliance Monitoring; General Counsel; and External Affairs.

2. *Agency management.*—This activity supports agencywide policy direction and management activities, including the salaries and associated costs for: the immediate Office of the Administrator; the offices which report directly to the Administrator; the Inspector General; the Office of General Counsel; the Office of Administration and Resources Management; the Office of Policy, Planning, and Evaluation; and the headquarters components of External Affairs.

3. *Regional management.*—This activity supports the regional administrators, their immediate staffs and the staff offices reporting directly to them such as intergovernmental relations, public affairs, and civil rights. Regional management also includes the regions' central management functions: planning and analysis, budgeting, financial management, personnel management, and administrative services as well as the regional counsel.

4. *Program support.*—This activity supports operation of the laboratories of the Offices of Research and Development; Pesticides and Toxic Substances; and Air and Radiation. These costs consist mainly of laboratory and office services, utilities, building maintenance, and other housekeeping items.

5. *Agency support.*—This activity provides general office and building services and support for program operations at EPA headquarters, Research Triangle Park, and Cincinnati. Agency support also includes agency-wide costs which are managed at headquarters and which support the needs of all Agency programs. Examples of such costs include facilities rent and ADP support.

6. *Regional support.*—This activity supports basic needs of the regions, including telephone service, guard services, printing and copying services, rental of office equipment, ADP equipment, and other office and building services.

COMMITTEE RECOMMENDATION

The Committee recommends $639,275,000 for EPA's salaries and expenses. This is the same as the budget request and $33,000,000 less than the House allowance. The recommended level of funding represents an increase of $64,375,000 over the fiscal year 1984 enacted level.

The Committee recognizes that EPA's fiscal year 1985 budget will require the Agency to increase its workyears by 750 in fiscal year 1985 (400 in S&E and 350 in superfund) and this will entail hiring 115 people per month (because of attrition)—the highest hiring rate in EPA's history. With this fiscal year 1985 hiring, EPA will have 1,454 positions over the fiscal year 1983 level. Therefore, the Committee earmarked positions for high priority items rather than adding positions.

The Committee earmarked: (1) 10 additional FTE for limestone injection multistage burners (LIMB) technology acceleration—4 for prototype testing and 6 for full-scale demonstration; (2) 5 additional positions for the regional office responsible for maintaining the Great Lakes program at the fiscal year 1984 level; (3) 10 additional FTE for biological assessments of toxic chemicals to accelerate this program; (4) 6 additional FTE for asbestos enforcement—this will provide support for additional contract inspections; and (5) 18 additional positions for toxic chemicals evaluation and regulations.

In addition, the Committee is concerned with the failure of EPA to process grants under the clean lakes program in a timely manner. It, therefore, recommends the assignment of three FTE or their equivalent to this program from the salaries and expenses account.

The Committee also recommends that six FTE and expenses be assigned to the Office of Water to fulfill staff management requirements for estuarine pollution monitoring and assessment activities associated with the Long Island Sound, Narragansett Bay, and Buzzards Bay initiative contained under the R&D and abatement, control, and compliance accounts. The Committee understands that this bay program has not been authorized and, consequently, has not benefited from a careful review by the authorizing committees and the Agency. The Committee notes that its action should not be interpreted as initiating a multiyear program. The Committee has provided funds with the understanding that further funding will be contingent upon an authorization.

Furthermore, the Committee has addressed the issue of increased enforcement by reviewing EPA's request to OMB and adding the entire $30,000,000 denied by OMB to EPA State grants—where most of the enforcement occurs. The Committee also included bill language targeting these additional funds for enforcement under the abatement, control, and compliance account.

RESEARCH AND DEVELOPMENT

1984 appropriation	$142,700,000
1985 budget estimate	163,437,000
House allowance	193,000,000
Committee recommendation	184,437,000

The Committee recommends an appropriation of $184,437,000 for EPA's research and development program in fiscal year 1985. This amount is $21,000,000 more than the budget estimate and $8,563,000 less than the House allowance.

PROGRAM DESCRIPTION

EPA's research and development program is designed to produce the scientific knowledge and the tools for regulating, preventing, and abating pollution. The Agency's research and development efforts are conducted through grants, contracts, and agreements with universities, industries, other private commercial firms, nonprofit organizations, State and local government, and Federal agencies, as well as through work performed at EPA's laboratories and field stations.

The research and development program encompasses activities such as research on the effects of pollutants on man, animals, aquatic life, plants, materials, and the general environment; research on the processes, such as dispersion, that affect pollution; the development of new and improved sampling and analytical methods and instruments for measuring pollutants; the development, evaluation, and assessment of new and improved technologies for preventing and controlling pollution; development of guidelines and research tools to improve the ability to perform risk assessments; and the development of scientific data necessary to understand the causes and effects of acid rain.

COMMITTEE RECOMMENDATION

The Committee recommends $184,437,000 for EPA's research and development account. This is $21,000,000 more than the budget request and $8,563,000 less than the House allowance. The funding recommended by the Committee would result in an R&D program $41,737,000 or 29.2 percent above the fiscal year 1984 enacted level.

The Committee provided $8,000,000 in additional funds for limestone injection through multistage burners (LIMB). Of this amount, $6,000,000 will be for tangentially-fired demonstrations and $2,000,000 is for prototype testing of tangentially-fired boilers. The Senate bill also adds, under the S&E account, 10 more FTE for this program.

The Committee added $1,500,000 to expand the Great Lakes research program. These funds will support additional research to study the fate and effects of dioxin and other toxicants.

The Committee also added $5,000,000 for health effects research in air, water quality research relating to land disposal of sludge, drinking water research on disinfectant byproducts, hazardous waste screening tools for listing/delisting of wastes, and pesticides research for health effects other than carcinogenicity and other high-priority areas.

The Committee added $1,500,000 or 12 percent to the budget request for the management and implementation of the exploratory research and research centers. The Committee is concerned that productive extramural long-term research may be threatened by the Agency's practice of shifting funds from that area in order to react to new regulatory priorities and associated research needs. The Committee believes that uncertainties and shifts in emphasis in ongoing research activities cause delays, loss of momentum, and wasted tax dollars. The responsibility to avoid such inefficiencies in the management of EPA's long-range research rests clearly with the Agency.

The Committee also added $1,000,000 to measure total individual pesticide exposure on a 24-hour/day basis, using the total exposure assessment methodology (TEAM) technique.

The Committee recommends an appropriation of $4,000,000 to the Office of Water for the purposes of water quality monitoring and environmental assessment activities in Long Island Sound, Narragansett Bay, and Buzzards Bay. These activities are funded in anticipation of the authorization of a national estuarine pollution monitoring and assessment program, involving interagency cooperation under the Clean Water Act. This initiative is designed to develop data on estuarine pollution problems and the impact of such loadings on the living organisms in these waters.

The Committee directs the Office of Water to determine what units of government have management responsibility for the environmental quality of Long Island Sound, Narragansett Bay, and Buzzards Bay, and to define how such management responsibility can best be coordinated among the respective units of government, research and educational institutions, and groups of individuals concerned with the water quality of these waters. This Office shall also encourage the States to engage in cooperative efforts to prevent, reduce, and/or eliminate pollution through the formation of State compacts and/or the adoption of uniform laws relating to the prevention and control of pollution in these waters.

The Office of Water shall coordinate the development and implementation of, and make recommendations on, interstate pollution management and abatement activities in these estuaries. The Office shall also recommend corrective actions and compliance schedules to address those high-priority point and nonpoint sources of pollution.

The Administrator of the Environmental Protection Agency (EPA) shall transfer to the Administrator of the National Oceanic and Atmospheric Administration (NOAA) $4,000,000 to use the National Marine Pollution Program office, and the National Marine Fisheries Service to collect and make available the results of water quality research, monitoring, assessment, and other activities that address the environmental quality of Long Island Sound, Narragansett Bay, and Buzzards Bay. These funds shall be used to review and analyze all environmental sampling data presently collected from these waters.

After consultation with the Office of Water and interested State or interstate agencies, NOAA shall develop a comprehensive water quality sampling program for the continuous monitoring of nutrients, chlorine, acid precipitation, dissolved oxygen, and toxic pollutants, including synthetic organic chemicals and metals. This monitoring program shall evaluate and conduct research to determine the impact of sediment deposition in these waters, and shall identify the sources, rates, routes, distribution patterns, and pollutant loadings of such deposition. The intent of this research is to evaluate the impact of pollutants on the living resources in these estuaries and to quantify the effects on the resources of pollution management and abatement measures developed or implemented by the Administrator, States, interstate agencies, municipalities, and industry.

NOAA shall provide an annual report on its activities for the Administrator, including a profile on the overall environmental health of these study areas, and a synthesis of all scientific findings which point out factors having adverse effects on their environmental quality. This report shall recommend pollution management and abatement measures which would improve the chemical, biological, and physical integrity of the designated estuaries.

The fiscal year 1985 President's budget proposes that 20 percent of the total research budget be spent on long-term and exploratory research. The Committee directs the Agency to maintain that level of effort throughout the year. The Committee also directs EPA to submit a report by October 1, 1984, detailing for fiscal year 1984 any delays in, or terminations of, ongoing long-term research projects (i.e., projects requiring 3 or more years for completion). The report should also detail the rationale for the change and the use of the retargeted funds. In addition, the report should address the implications of a policy requiring that a specific level of funds devoted to long-term research be maintained and the proportion of EPA's total R&D budget that should be so targeted.

The Committee notes that the problem of the giardia cyst contaminating community water supplics has become a national problem. The Committee directs EPA to take several steps to halt the spread of the giardiasis disease. First, the agency, under the Office of Research and Development, should continue to refine the treatment technology and analytical methods for identifying and quantifying the giardia lambla.

Second, EPA should finalize its regulations under the Safe Water Drinking Act which would require that filtration of water for community use encompass the giardia cyst and announce those final regulations and the effective date no later than July 1, 1985.

Finally, the Committee directs EPA to designate a coordinator for future outbreaks of giardiasis who will coordinate the activities and policies of the various Federal agencies which must participate in a giardiasis crisis with the appropriate State officials.

The Committee wishes to encourage continuation of work initiated in 1984 under the dioxin strategy, to include studies of the extent of dioxin contamination and associated risks to humans and the environment; evaluating regulatory alternatives to prevent future contamination and disposal alternatives to alleviate current problems; and conduct or compel responsible parties to undertake cleanup actions at contaminated sites.

ABATEMENT, CONTROL, AND COMPLIANCE

1984 appropriation	$393,900,000
1985 budget estimate	396,042,000
House allowance	436,000,000
Committee recommendation	462,242,000

The Committee recommends an appropriation of $462,242,000 for abatement, control, and compliance activities. This amount is $66,200,000 more than the budget estimate and $26,242,000 more than the House allowance.

PROGRAM DESCRIPTION

The Agency's abatement and control effort includes the development of environmental standards; monitoring and surveillance of pollution conditions; grant support for State and local water quality pollution control planning; direct Federal pollution control planning; grant support for State, regional, and local pollution control programs; technical assistance to pollution control agencies and organizations; preparation of environmental impact statements; and assistance to Federal agencies in complying with environmental standards and insuring that their activities have minimal environmental impact.

The compliance activity at EPA—formerly called enforcement under the old appropriation account structure—encompasses the areas of air and water pollution control, drinking water, pesticides, solid waste, and toxic substances. A major part of the Agency's compliance effort involves support of, or cooperation with, State and local enforcement programs, such as enforcement of air quality standards, navigable and interstate water quality standards, issuance of pollution discharge permits, and issuance of hazardous waste permits and compliance monitoring. Notices of violation, abatement orders, enforcement conferences, civil and criminal court actions, and, in the case of pesticides, recalls and seizures, are used by the Agency as tools to implement its enforcement responsibilities.

COMMITTEE RECOMMENDATION

The Committee recommends $462,242,000 for EPA's abatement, control, and compliance functions. This is $66,200,000 more than the budget request and $26,242,000 more than the House allowance. The Committee recommendation represents an increase of 17.4 percent over the fiscal year 1984 level.

The largest increase is $32,400,000 for the State grant program. This represents an increase of 13.6 percent for State grants and is the same level recommended by the National Governors' Conference. Of this amount, $2,500,000 is added to the $2,500,000 for the clean lakes program and the remaining $29,900,000 will be distributed to the States only to provide increased levels of enforcement. Under the terms of the Committee bill each grant category would be augmented by no less than $1,500,000.

The amount added to the State grants program also corresponds to the $30,000,000 in enforcement funds denied EPA during the budget formulation process. These funds have been redirected toward State activities. Rough estimates suggest that States have twice as many employees engaged in environmental protection as EPA, and four to five times as many involved in direct operations. In the long run, the success of national environmental goals depends on providing States the necessary support.

The Committee has added $4,900,000 in resources to the States so that States can issue administrative enforcement orders to each NPDES permittee in significant noncompliance within 30 days of notice of violation.

The Committee has also added $200,000 for the Agency to design a compliance, monitoring, and enforcement policy and schedule that will insure 90 percent compliance with ground water monitoring, closure, postclosure, and financial responsibility requirements within 4 years. The policy shall be available to the Senate Appropriations Committee prior to the submission of the fiscal year 1986 budget.

The Committee recommends an additional $3,800,000 for grants to the States to initiate and sustain necessary enforcement actions against POTW's which have submitted incomplete program approval applications or have not submitted an application, and to take necessary enforcement action against dischargers into POTW systems in violation of categorical standards.

The Committee added $200,000 to maintain and publish annually a statistically valid survey of how many persons require inpatient or outpatient medical care as a result of pesticide exposure and the reasons the excessive exposure occurred.

The Committee provided an additional $2,100,000 for the National Rural Water Association to continue its activities and add one or more States to the program.

The Committee added $1,000,000 to continue funding joint EPA-American Water Works Association Research Foundation drinking water research. An appropriation of $1,000,000 was also made for this purpose in fiscal 1984. The Committee expects that with the appropriation of these funds the research foundation will, from this point on, be able to conduct a viable research program without additional Federal funding.

The Committee also added $3,000,000 and earmarked an additional five FTE to continue the Great Lakes program at about the current level. These funds would support the atmospheric deposition network, analysis of lake water samples to calculate phosphorus tributary loading, and assessments of severely polluted areas.

The Committee also added $5,000,000 for hazardous waste regulations development to close gaps and extend coverage in existing regulations and $2,000,000 to provide the necessary technical assistance and support that the States will need in implementing RCRA permitting and enforcement activities.

The Committee added $2,600,000 for wastewater treatment operator training to continue this program at the current level and protect the Federal capital investment in plant and equipment and $2,000,000 for academic training with increased emphasis to be placed on fellowships for State environmental personnel. The Committee directs that the funding for wastewater treatment plant operator training be used to assist only those organizations and State agencies which actually conduct such training. EPA is directed to continue to work with these same agencies and organizations to: Fund compliance-oriented training programs; and assist in the development and implementation of State training programs which are financially and programatically self-sufficient.

Up to $1,000,000 is reserved for the Administrator to make discretionary grants for model State, local, and regional hazardous waste management programs, including $200,000 for the continuation of the existing pilot on-site hazardous waste consultation program which is operated by an institution of higher education in cooperation with a State or agency thereof.

In conjunction with the Long Island Sound, Narragansett Bay, and Buzzards Bay initiative, the Committee has provided $6,000,000 for State grants. The Administrator shall, at the request of the Governor of an affected State, after consultation with appropriate Federal, State, and interstate agencies, make grants through the Office of Water for the purpose of developing and implementing interstate pollution management and abatement programs to improve the environmental quality of these waters. Payment for such purpose shall be made to a State or interstate agency, subject to terms and conditions of the Office of Water. Such applicants must establish a committee of representatives from Federal, State, and local governments, research and educational institutions, and concerned groups of individuals. These representatives shall provide advice on the design, implementation, and future modification of pollution management and abatement programs, and will coordinate communication of the issues affecting the estuaries' environmental quality. All recipients of State grants will implement, as soon as practicable within 3 years after enactment of this bill, sufficient pollution management and abatement measures and practices (including point and nonpoint source controls), to reduce, to the greatest extent feasible, pollutant loadings in these waters.

Administrative costs in the form of salaries, overhead, or indirect costs for services provided and charged against programs or projects supported by funds made available, shall not exceed in any 1 fiscal year 10 percent of the total grants allocated during such fiscal year. Any State, combination of States, or interstate agency that receives a grant under this legislation shall report biennially to the Administrator on progress made in implementing pollution management and abatement measures and practices for improving the environmental quality of Long Island Sound, Buzzards Bay, and Narragansett Bay.

The Committee strongly supports EPA's regulatory decisions regarding the uses of asbestos, particularly its increased emphasis on addressing the problem of asbestos in schools. Scientific studies begining in the 1930's have documented the link between exposure to asbestos and various types of cancer and other diseases. The House report is critical of EPA for allegedly failing to consider the approach being taken by Great Britain, Canada, and the Common Market countries. The data on which this approach rests suggests that the degree of risk resulting from exposure to chrysotile or white asbestos is not as great as that resulting from exposure to crocidolite or blue asbestos and amosite or brown asbestos. The Committee notes, however, that other studies, such as the 1983 Consumer Product Safety Commission (CPSC) report, have reached different conclusions. In fact, the CPSC report concluded that evidence for a significant difference among the important commercial asbestos varieties in their ability to cause lung cancer is weak. The report also shows that animal studies consistently document that all three forms of asbestos are equally potent in producing lung cancer and mesothelioma.

In addition, there is no known threshold level below which exposure to asbestos is considered safe. Moreover, evidence shows that children may stand an increased risk of developing disease from asbestos exposure due to the earlier period of life at which they are exposed. The question of providing financial assistance to school districts is currently being considered. Should such legislation pass, EPA's role in the asbestos-in-schools program would be expanded. In the interim, the Committee believes that EPA should continue its present approach to the asbestos problem. The Committee is advised that EPA considers its regulatory and enforcement activities concerning asbestos to be among its top 10 priorities. The Committee directs that EPA continue its efforts, and that neither further regulatory actions restricting asbestos uses, nor its program of having school officials identify asbestos hazards, should be delayed pending completion of further studies.

Finally, the Committee provided an additional $1,000,000 to undertake additional asbestos-in-schools inspections. It is expected that these additional funds could increase the number of inspections by about 1,000 over the proposed level.

BUILDINGS AND FACILITIES

1984 appropriation	$2,600,000
1985 budget estimate	10,500,000
House allowance	13,000,000
Committee recommendation	10,500,000

The Committee recommends an appropriation of $10,500,000 for buildings and facilities in fiscal year 1985. This amount is the same as the budget estimate and $2,500,000 less than the House allowance.

PROGRAM DESCRIPTION

The appropriation for buildings and facilities at EPA covers the necessary repairs and improvements to installations which are used by the Agency. In fiscal year 1985, the Agency intends to fund construction of a new radiation laboratory in Montgomery, Ala. The Agency also intends to begin completion of deferred maintenance and repair projects.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of $10,500,000 for this account.

The Senate and House provided $6,900,000, as requested, for the new radiation lab in Montgomery, Ala. Both bills require that the Appropriations Committees approve any new construction projects.

PAYMENT TO THE HAZARDOUS SUBSTANCE RESPONSE TRUST FUND

1984 appropriation	$44,000,000
1985 budget estimate	44,000,000
House allowance	44,000,000
Committee recommendation	44,000,000

The Committee recommends an appropriation of $44,000,000 for this account. This is the same as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

The Comprehensive Environmental Response, Compensation, and Liability Act of 1980, Public Law 96-510, established the hazardous substance response trust fund (Superfund). The trust fund is financed principally by industry fees, recovered moneys, interest on investments, and appropriations. This account represents the Federal payment into the trust fund.

COMMITTEE RECOMMENDATION

The Committee has recommended $44,000,000 for Federal payment to the hazardous substance response trust fund.

HAZARDOUS SUBSTANCE RESPONSE TRUST FUND

1984 appropriation	$410,000,000
1985 budget estimate	640,000,000
House allowance	600,000,000
Committee recommendation	640,000,000

The Committee recommends an appropriation of $640,000,000 for the hazardous substance response trust fund (Superfund). This amount is the same as the budget estimate and $40,000,000 more than the House allowance.

PROGRAM DESCRIPTION

On December 11, 1980, Congress enacted the Comprehensive Environmental Response, Compensation, and Liability Act of 1980. The act established the hazardous substance response trust fund to address the problems of uncontrolled hazardous waste sites and spills. Specifically, the legislation mandates that EPA: (1) provide emergency response to hazardous waste spills; (2) take emergency action at hazardous waste sites that pose an imminent hazard to public health or environmentally sensitive ecosystems; (3) engage in long-term planning, remedial design, and construction to clean up hazardous waste sites where no financially responsible party can be found; (4) take enforcement actions to require responsible private parties to clean up hazardous waste sites; and (5) take enforcement actions to recover costs where the fund has been used for clean up.

The 1985 budget request is $640,000,000, a substantial increase above the 1984 level of $410,000,000. The request provides funding for 1,357 total workyears, about one-half of which would be devoted to hazardous substance response actions—including 150 emergency removals, 69 remedial investigation feasibility studies, 68 designs, and the initiation of remedial cleanup actions at 46 additional sites. A total of $12,633,500 is targeted for Superfund research and development, $24,550,500 for management and support activities, and $48,924,600 for enforcement work to identify responsible parties and conduct negotiations and/or litigation to recover costs.

COMMITTEE RECOMMENDATION

The Committee recommends $640,000,000 for this account. This is the same as the budget request and $40,000,000 more than the House allowance.

Without this $40,000,000, the Agency would not be able to maintain the 115 remedial investigation/feasibility studies agreed to by OMB as a reasonable workload. Consequently, the "pipeline" is likely to be reduced if the House action is allowed to stand.

Recent testimony before this Committee by the chairman of the Senate Environment and Public Works Committee contained the following observation: "Clearly, the Agency can commit $753,000,000. A recent Agency study estimated that future Superfund needs would range from $8,000,000,000 to $16,000,000,000. Currently, while there are 546 sites on the national priority list, cleanup has been completed at only a handful of sites. And, EPA expects to add over 100 sites to the list this summer. The Agency is now moving forcefully to curb the threats posed by abandoned hazardous waste sites. It would be a tragedy to slow this momentum with a funding level that handicaps the program."

The Committee has also included a legislative provision, as it has in the past 2 years, earmarking $9,495,000 for the Department of Health and Human Services in conjunction with the Superfund. These funds would be used for medical and research activities to be undertaken by the Department of Health and Human Services. The Committee believes that this $9,495,000 combined with the anticipated unobligated balance of $50,000 will be sufficient for fiscal year 1985. The unobligated balance as of April 30, 1984, was $5,192,444.

The bill also includes a provision limiting administrative expenses for traditional salary and expense items to $87,573,000. This includes $59,243,000 for personnel compensation and benefits, $6,504,000 for travel, $9,077,000 for communications, utilities, and rent, and $12,749,000 for equipment and other expenses.

CONSTRUCTION GRANTS

1984 appropriation	$2,430,000,000
1985 budget estimate	2,400,000,000
House allowance	2,400,000,000
Committee recommendation	2,400,000,000

The Committee recommends an appropriation of $2,400,000,000 for the construction grants program. This amount is the same as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

The long-range goal of the construction grants program is to eliminate the municipal discharge of untreated or inadequately treated pollutants and thereby help restore or maintain the quality of the Nation's waters and protect the health and well-being of the people. This program provides grants to municipal and intermunicipal agencies to assist in financing the construction of cost-effective and environmentally sound municipal wastewater treatment facilities. In addition, the program provides funds to assist delegated States in carrying out their responsibilities to manage the construction grants program and to assist them in carrying out water quality management planning programs.

As a result of the municipal wastewater treatment construction grant amendments of 1981 a State may reserve 4 percent of its authorization or $400,000 to manage its delegated activities, and 1 percent of its allotment or $100,000 for water quality management planning. The act also requires that each State set aside between 4 and 7½ percent of its allotment to provide incentives to communities to use innovative and alternative technologies in constructing their wastewater treatment facilities; it also permits States having substantial rural populations to set aside 4 percent of their funds for projects in small communities. All grants for assisting in the development and construction of wastewater treatment facilities are to be awarded on the basis of a State's priority system, which is designed to insure improved water quality.

Prior to the 1981 amendments, projects were done in three stages with separate grants awarded to a community for the planning (step 1), design (step 2), and construction (step 3) phases of each project. In order to make the process more efficient, the 1981 amendments eliminate the three-step procedure and provide that communities that have completed planning and design and are awarded a grant for construction will receive an allowance to cover a portion of the planning and design costs. Provision is also made for advances to enable small communities, otherwise unable to finance such activities, to plan and design projects. Another provision designed to make the program more efficient and cost-effective is the elimination of funding to construct reserve capacity. These provisions are expected to significantly decrease the Federal investment needed in the program.

The goal of the State management assistance grant program under section 205(g) is to allow the States, rather than EPA, to assume responsibility for day-to-day management of construction grants and other priority programs, and under section 205(j) to provide essential support to water quality management planning. The primary goal for use of section 205(g) funds has been early achievement of maximum delegation of construction grants project management to States. The timing and extent of delegation and financial support to each State depends on the State's ability to operate a construction grants program that meets statutory objectives and requirements and EPA policy. A grant is provided to a State when it can show that it is able to exercise effective management for a substantial portion of program activities.

COMMITTEE RECOMMENDATION

The Committee recommends $2,400,000,000 for construction grants. This is the same as the request and the House recommendation.

No separate appropriation is provided for combined sewer overflow (CSO) projects. However, in the past 2 years $60,000,000 has been earmarked for this activity. The Committee understands that applications for CSO projects are due in June and expects EPA to submit funding recommendations for approval by the Committees on Appropriations around September 1984, when EPA's project evaluation and ranking process is expected to be completed.

The Committee is concerned that due to the 2½ year delay in publishing regulations governing the combined sewer overflow (CSO) marine fund program the eligibility of CSO correction projects to receive 75 percent Federal funding from the funds appropriated to date, may be in question if these awards are made after fiscal year 1984. The Committee expects EPA to award $60,000,000 in CSO marine fund grants at the Federal share effective at the time the appropriations were made by Congress.

The Committee is concerned about a proposal to upgrade and expand the wastewater treatment plant in Fayetteville, Ark. Currently all of Fayetteville's discharge flows into the White River, which runs through northwestern Arkansas. The city proposes to split the flow of their effluent between the Illinois River, which flows through eastern Oklahoma, and the White River. The Illinois River is Oklahoma's most popular wild and scenic river and is, consequently, a very popular recreation area for thousands of canoers and campers. Since it is EPA's mission to help clean up our Nation's waters, the Committee is very concerned about the possible degradation of water quality in the Illinois River since this river does not now receive effluent from Fayetteville. The Committee directs EPA to reconsider the Fayetteville proposal in light of these concerns.

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

1984 appropriation	[1] $1,300,000
1985 budget estimate	700,000
House allowance	700,000
Committee recommendation	700,000

[1] Includes $600,000 from supplemental (Public Law 98-181).

The Committee recommends an appropriation of $700,000 for the salaries and expenses of the Council on Environmental Quality. This is the same as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

The Council on Environmental Quality was established by the National Environmental Policy Act (NEPA) and the Environmental Quality Improvement Act of 1970 and is located within the Executive Office of the President. The Council's principal responsibility is to provide the President and the Congress with timely and authoritative advice on key policy issues. In addition to providing policy advice, the Council is responsible for maintaining policy oversight of the Federal Government's implementation of NEPA. The Council is also charged with cochairing with EPA, the Interagency Toxic Substances Data Committee; serving as Executive Secretary of the Interagency Task Force on Acid Precipitation; overseeing implementation of environmental messages by the President; and assisting and advising the President in preparing the annual environmental quality report to the Congress.

COMMITTEE RECOMMENDATION

The Committee recommends $700,000 for the Council on Environmental Quality. This is the same as the budget request and the House allowance.

The Committee is pleased with the actions the Office has taken in managing the water resource research and water information clearinghouse studies. The Committee is also aware of the extremely limited resources available to the Office and the Council and intends to review the funding situation in the next available appropriations bill.

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

1984 appropriation	$1,950,000
1985 budget estimate	2,194,000
House allowance	2,194,000
Committee recommendation	2,194,000

The Committee recommends an appropriation of $2,194,000 for the salaries and expenses of the Office of Science and Technology Policy. This is the same as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

The Office of Science and Technology Policy (OSTP) was created by the National Science and Technology Policy, Organization, and Priorities Act of 1976 (Public Law 94-282) and provides advice to the President concerning policies in science and technology and on the utilization of science and technology in addressing important national problems. OSTP also supports other organizations within the Executive Office of the President with regard to issues involving science and technology considerations; reviews and analyzes the research and development budgets and programs of the Federal Government, in concert with the Office of Management and Budget; coordinates research and development programs of the Federal Government; and fulfills other obligations, duties, functions, and activities mandated by the National Science and Technology Policy, Organization, and Priorities Act of 1976.

COMMITTEE RECOMMENDATION

The Committee recommends $2,194,000 for the Office. This is the same as the budget request and the House allowance. The Committee has deleted a House provision that would require OSTP to reimburse other agencies for not less than one-half of the personnel compensation costs of detailees. While the Committee believes that controlling nonreimbursable detailees is important, the language can be overly restrictive and hamper the operations of the Office.

FEDERAL EMERGENCY MANAGEMENT AGENCY

1984 appropriation	$476,594,000
1985 budget estimate	630,072,000
House allowance	554,909,000
Committee recommendation	559,868,000

The Committee recommends an appropriation of $559,868,000 for the Federal Emergency Management Agency (FEMA) in fiscal year 1985. This amount is $70,204,000 less than the budget estimate and $4,959,000 more than the House allowance.

GENERAL DESCRIPTION

FEMA is responsible for coordinating Federal efforts to anticipate, prepare for and respond to a spectrum of major civil emergencies. The Agency also works to assure the effectiveness of the national civil defense program and the availability of civil defense systems and resources in coping with all manmade and natural disasters; consolidates the programs aimed at preventing and mitigating the effects of potential disasters with the programs designed to deal with the disasters once they occur; coordinates and plans for the emergency deployment of resources that are used on a routine basis by Federal agencies; and helps to coordinate preparedness programs with State and local governments, private industry, and voluntary organizations.

FEMA's budget submission describes several principal activities, including:

Civil defense.—This activity features an integrated emergency management system approach designed to develop generic plans and functional emergency capabilities to mitigate, prepare for, respond to, and recover from emergencies caused by natural, technological, and attack-related hazards. It has financial and technical assistance programs which support State and local organization requirements, and operating costs. Federal civil defense objectives and support are integrated with State and local emergency operational requirements, thereby enhancing overall emergency preparedness for all hazards. Included in this activity are preparedness programs that address functions including planning, warning, communications, direction and control, shelter, movement of people, and provision of food and medical resources. This activity also provides for development of training materials and training programs, and for research and development activities that provide the technical basis for national planning and preparedness for such activities as population and industrial protection.

Comprehensive emergency preparedness planning.—This activity provides for the enhancement of Federal, State, and local governments' capability to prepare for, respond to and mitigate the impact of disasters and emergencies. Program activities include hazard analyses, needs assessments, technical guidance and financial support designed to assist State and local governments in developing a comprehensive approach to preparedness planning for natural and manmade emergencies.

Radiological emergency preparedness.—This activity is focused on improvement of Federal, State, and local planning for emergencies in areas surrounding nuclear power reactors and enhanced capabilities to cope with radiological accidents at fixed nuclear facilities, including commercial nuclear powerplants, and nuclear materials license holders. The activity provides assistance to State and local governments through the issuance of guidance, review and approval of plans, and evaluation of exercises.

Federal preparedness.—The goals of the Federal preparedness activity are to enhance Government readiness and capability in order that the Nation will be able to respond predictably and effectively to peacetime or wartime national security emergencies and to enable government, at all levels, to cope with the consequences of accidental, natural, and man-caused occurrences.

Training and fire programs.—This activity prepares Federal, State, and local officials, their supporting staff, and the public to meet the responsibilities and challenges of domestic emergencies through planning, mitigation, preparedness, response, and long-term recovery. Educational programs are provided through the Emergency Management Institute, the National Fire Academy, and the Senior Executive Policy Center. In addition, under the U.S. Fire Administration, this activity concentrates on providing a Federal focus on identifying problems with which the Nation's fire, rescue, and emergency medical services must deal, finding solutions to these problems, and supporting State and local fire protection and emergency services efforts.

Federal Insurance Administration.—FEMA administers three national insurance programs. They are flood insurance, crime insurance, and riot reinsurance.

> Flood insurance.—The national flood insurance program makes insurance available to property owners in participating communities, in return for which communities are required to adopt flood plain management measures to protect lives and reduce property loss. The flood plain management activity combines mapping, regulatory, and technical assistance to assist State and local governments in responding to known flood hazards and mitigating their effects through a comprehensive approach to the management of flood plains.
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> Crime insurance.—This program enables residents and businesses to purchase affordable insurance against burglary and robbery losses on properties that meet protective device requirements where such coverage is not available in the private market place. By law, the authority for this program expires on September 30, 1984.

Riot reinsurance.—Federal riot reinsurance assisted insurance companies in making essential property insurance available in States with statewide fair access to insurance requirements (FAIR) plans meeting Federal criteria. Authority to issue new coverage under this program expired on November 30, 1983.

Disaster response and recovery.—The President's disaster relief program supplements the efforts and available resources of State and local governments and voluntary relief organizations in responding to a major disaster or emergency, as defined in the Disaster Relief Act of 1974 (Public Law 93-288).

FUNDS APPROPRIATED TO THE PRESIDENT DISASTER RELIEF

1984 appropriation	
1985 budget estimate	$100,000,000
House allowance	100,000,000
Committee recommendation	100,000,000

The Committee recommends an appropriation of $100,000,000 for disaster relief. This is the same as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

Federal disaster assistance is a nationwide program operated pursuant to the Disaster Relief Act of 1974 (Public Law 93-288). The President is authorized to provide Federal assistance to supplement the efforts and resources of State and local governments in response to major disasters and emergencies. Funds may be made available directly to a State or local government, or to other Federal agencies as reimbursement of expenditures in disaster relief work performed under this authority. In addition, a variety of other Federal assistance is coordinated under this program.

COMMITTEE RECOMMENDATION

The Committee recommends $100,000,000 for disaster relief assistance in fiscal year 1985. This is the same amount as the budget request and the House allowance. As of May 15, $478,031,200 was unobligated in the disaster relief fund. Based on historical data the $100,000,000 in new appropriations together with unobligated balances should be adequate for fiscal year 1985.

The Committee continues to support FEMA's continuation of the 75-percent Federal and 25-percent State and local cost sharing for the repair and replacement of public facilities.

SALARIES AND EXPENSES

1984 appropriation	$121,110,000
1985 budget estimate	134,014,000
House allowance	129,316,000
Committee recommendation	130,649,000

The Committee recommends an appropriation of $130,649,000 for salaries and expenses in fiscal year 1985. This amount is $3,365,000 less than the budget estimate and $1,333,000 more than the House allowance.

PROGRAM DESCRIPTION

The salaries and expenses appropriation comprises two activities:

1. *Program support.*—This activity provides for staff and supporting resources to administer the Agency's various programs at the headquarters, field, and regional levels.
2. *Management and administration.*—This activity provides staff and supporting resources for the general management and administration of the Agency in legal affairs, congressional relations, public affairs, personnel, financial management, and other central support functions, such as rent, utilities, ADP support services, and supplies.

COMMITTEE RECOMMENDATION

The Committee recommends $130,649,000 for salaries and expenses. This is $3,365,000 less than the budget request and $1,333,000 more than the House allowance. The Committee recommendation reflects a reduction of $3,365,000 from the request in civil defense activities. The Committee directs that the staffing for civil defense not exceed the fiscal year 1984 level of 661 workyears. The program support activities in the seven remaining areas do not change, and the total for program support is $94,979,000. The recommendation for management and administration remains at $35,670,000 as contained in the request. The Committee deleted the House addition of $361,000 for 8 FTE to administer the emergency food and shelter program. The House action anticipates congressional action on emergency food and shelter in forthcoming legislation. The Committee will take the appropriate actions to provide necessary staffing at a future time in conjunction with any appropriation for emergency food and shelter.

In a communication with the Congress, dated May 3, 1984, the President proposed a plan to help reduce the Federal budget deficit. That proposal decreased FEMA's request for salaries and expenses by $2,580.000. The Committee's recommendation is $785,000 below the President's May 3 proposal and $9,539,000 above the 1984 appropriation.

The recommendation maintains the official reception and representation limitation of $2,000.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

1984 appropriation	[1] $315,484,000
1985 budget estimate	396,058,000
House allowance	325,593,000
Committee recommendation	329,219,000

[1] Contained in the State and Local Assistance account and the Emergency Planning and Assistance account in fiscal year 1984.

The Committee recommends an appropriation of $329,219,000 for the emergency management planning and assistance activities of FEMA in fiscal year 1985. This amount is $66,839,000 less than the budget estimate and $3,626,000 more than the House allowance.

PROGRAM DESCRIPTION

The emergency management planning and assistance appropriation represents a consolidation of the State and local assistance appropriation and the emergency planning and assistance appropriation. The consolidated appropriation provides resources for the following activities which were described previously: civil defense, comprehensive emergency preparedness planning, radiological emergency preparedness, Federal preparedness, training and fire programs, and flood plain management.

COMMITTEE RECOMMENDATION

The Committee recommends $329,219,000 for emergency management planning and assistance. This is $66,839,000 less than the budget request and $3,626,000 more than the House allowance.

The Committee directs that a reduction of $67,689,000 be taken in the civil defense area. This would result in a total civil defense program of $181,424,000 in fiscal year 1985 (including $30,113,000 provided under FEMA's S&E account). This is $12,220,000 higher than the fiscal year 1984 civil defense level. Within civil defense the Committee provided for: an increase of $1,000,000 in State and local emergency management program over the $56,800,000 fiscal year 1984 level; continuing the radiological defense program at the fiscal year 1984 level of $10,300,000 (not providing funds for the new State radiological defense assistant positions); an increase of $19,169,000 in the telecommunications and warning program over the fiscal year 1984 level (this has been targeted by the Committee as the most time critical and the highest priority in the civil defense program). These changes are to be offset by a reduction of $8,943,000 from the fiscal year 1984 level distributed among the five remaining civil defense programs at the discretion of FEMA.

None of the funds provided in this bill shall be used by FEMA for the production of low level dosimeters. The total number of high level and intermediate level dosimeters produced through the use of funds provided in this bill shall not exceed 30,000, without the approval of the Committees on Appropriations. The Committee directs FEMA to conduct a study of the feasibility of obtaining reimbursement for FEMA produced dosimeters. The study should identify the potential dosimeter users and alternative reimbursement arrangements. The report on the study should be submitted prior to March 1, 1985.

The Committee directs that all of the remaining programs in emergency management planning and assistance, other than comprehensive emergency preparedness planning, be funded at the budget request level. For comprehensive emergency preparedness planning the Committee has provided $850,000 above the requested level. Within this activity the Committee has approved the budget request of $5,705,000 for the earthquake program. The budget request will permit the initiation of State and local vulnerability analysis in identified high risk areas and expand seismic design provisions to include existing buildings, lifelines, and retrofitting techniques. The Committee expects work to continue in the New Madrid area which, in the event of a quake, has the potential for catastrophic damage in the Central United States. The Committee has also provided a total of $900,000 for the hurricane program and a total of $482,000 for the dam safety program restoring these activities to the fiscal 1984 level. The Committee further directs that FEMA target funding within training and fire programs for the production of fire safety public service announcements.

The Committee deleted House bill language prohibiting appropriations for the establishment or operation of a western extension of the National Emergency Training Center, Emmitsburg, Md. The Committee directs FEMA to provide the entire funding for the National Emergency Training Center (NETC) West contained in the civil defense program portion of the budget request. The Committee directs that the $1,771,000 increase contained in the fiscal year 1985 budget request under training and fire programs for the establishment of a western National Emergency Training Center be utilized for that purpose. The Committee directs FEMA to develop a 5-year plan to identify the training needs, course requirements, and the types of participants for the National Emergency Training Center.

The Committee urges that FEMA establish a fee for participants in agency supported telenetwork systems. The Committee is aware that FEMA intends to develop a telenetwork system which would permit interested individuals to have full-time access to the network. The Committee directs FEMA to conduct a study and report back prior to January 1, 1985, on what level of fees should be charged for participation in the network.

NATIONAL FLOOD INSURANCE FUND

1984 appropriation	$37,521,000
1985 budget estimate	200,205,000
House allowance	200,205,000
Committee recommendation	200,205,000

The Committee recommends $200,205,000 to repay funds borrowed from the Treasury by FEMA to carry out the national flood insurance program in fiscal year 1985. This is the same amount as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

The National Flood Insurance Act of 1968, as amended, authorizes the Federal Government to provide flood insurance on a national basis. Flood insurance may be sold or continued in force only in communities which enact and enforce appropriate flood plain management measures. Communities must participate in the program within 1 year of the time they are identified as flood-prone in order to be eligible for flood insurance and some forms of Federal financial assistance for acquisition or construction purposes.

Under the emergency program, structures in identified flood-prone areas are eligible for limited amounts of coverage at subsidized insurance rates. Under the regular program, studies must be made of different flood risks in flood prone areas to establish actuarial premium rates. These rates are charged for insurance on new construction. Coverage is available on virtually all types of buildings and their contents in amounts up to $245,000 for residential and $550,000 for other types.

Financing.—The Administrator is authorized to borrow up to $1,000,000,000 to carry out the program. Borrowings are estimated to total $211,447,000 by the end of 1985. An appropriation of $200,205,000 is requested in 1985 to retire agency debt. The program is also financed through premium income.

Operating results.—Cumulative expenses are expected to exceed revenue and receipts from Federal and non-Federal sources by approximately $377,000,000 by the end of 1985. This cumulative deficit is financed through appropriations of $1,166,000,000 and by charges against borrowing authority of $376,000,000.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of $200,205,000 for payments to the Treasury. This is the same amount as the budget request and the House allowance. Program operations are financed with premium income augmented by Treasury borrowings. The recommended appropriation will enable FEMA to repay part of the debt to the Treasury.

The Omnibus Budget Reconciliation Act of 1981 provides that the National Flood Insurance Fund shall be available only to the extent approved in appropriations acts. There is an exception for costs incurred in the adjustment and payment of any claims for losses. Agents' commissions, taxes, interest on Treasury borrowings, and operating expenses are to be approved in appropriations acts.

The administration has again requested general language to cover that provision. The Committee recommends the continuation of individual limitations on the aforementioned items except for administrative expenses which are to be funded from the salaries and expenses appropriation. The limitations recommended include $37,045,000 for operating expenses, $59,283,000 for agents' commissions and taxes, and $8,500,000 for interest on Treasury borrowings. The Agency should inform the Committees on Appropriations as soon as possible if it appears the limitations require modification.

The Committee is concerned about a change in what is insured in the national flood insurance program. Beginning October 1, 1983, coverage is no longer available for finished portions of basements except for those types with equipment, such as furnaces, necessary to make the building habitable. The Committee urges FEMA to reexamine its policy of eliminating flood insurance coverage for finished portions of basements. It may be that such coverage could be provided for an optional surcharge.

General Services Administration

CONSUMER INFORMATION CENTER

1984 appropriation	$1,349,000
1985 budget estimate	349,000
House allowance	1,149,000
Committee recommendation	1,149,000

The Committee recommends an appropriation of $1,149,000 for the Consumer Information Center. This is $800,000 more than the budget estimate and the same as the House allowance.

PROGRAM DESCRIPTION

The Consumer Information Center (CIC) was established within the General Services Administration (GSA) by Executive order on October 26, 1970 to help Federal departments and agencies promote and distribute consumer information collected as a byproduct of the Government's program activities.

The CIC promotes greater public awareness of existing Federal publications through wide dissemination to the general public of the consumer information catalog. The catalog lists both sales and free publications available from the Government Printing Office (GPO) distribution facility in Pueblo, Colorado. In fiscal year 1983, the CIC distributed a total of 8.5 million publications. Distribution costs of the free publications are financed by the Federal agencies reimbursements to this appropriation to cover GPO expenses relating to the free publications. Beginning in March 1983, the CIC began charging a user fee of $1 for two or more free publications ordered from the catalog.

Public Law 98–63, enacted July 30, 1983, established a revolving fund for the CIC. Under this fund, CIC activities are financed from the following: annual appropriations from the general funds of the Treasury, reimbursements from agencies for distribution of publications, user fees collected from the public, and any other income incident to CIC activities. All are available as authorized in appropriation acts without regard to fiscal year limitations.

COMMITTEE RECOMMENDATION

The Committee recommends $1,149,000 in new budget authority for the Center.

The CIC budget request assumes that significantly increased revenues can be derived from doubling the user fee, introducing a new marketing fee, and using CIC employees to market other General Service Administration (GSA) services. The Committee strongly disagrees with these approaches which are viewed as a diluent to the roles and missions for which CIC was created.

The CIC is directed: (1) to place a cap of $1.00 upon the user fee for orders of more than one free Government publication; (2) not to charge other Federal agencies a marketing fee or other expenses other than the actual cost of distributing their free publications; and (3) not to enter into any marketing activities for GSA or other Federal or private agencies without the specific approval of the Committees on Appropriations.

Finally, the bill includes language limiting the availability of the revolving fund to an aggregate level of $4,449,000 in 1985. This amount is comprised of: (1) an appropriation of $1,149,000; (2) user fees from consumers of $300,000; and (3) reimbursements from other Federal agencies of $3,000,000, all to be available without regard to fiscal year limitation. Any revenues accruing to this fund during 1985 in excess of $4,449,000 shall remain in the fund but not be available for expenditure except as authorized in appropriation acts. The Committee believes it is appropriate that, to the extent practical, CIC use funds remaining from prior year agency reimbursements to offset reimbursements for publication distribution costs in 1985 and future years.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF CONSUMER AFFAIRS

1984 appropriation	$2,011,000
1985 budget estimate	2,096,000
House allowance	2,096,000
Committee recommendation	2,096,000

The Committee recommends an appropriation of $2,096,000 for the salaries and expenses of the Office of Consumer Affairs. This is the same level as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

In accordance with Executive Order 11583 of February 24, 1971, the staff of the U.S. Office of Consumer Affairs assures that consumer needs and viewpoints are presented in the Federal Government, fosters consideration of consumer viewpoints by other Government agencies, voluntary groups and business, and seeks to inform and educate individual citizens to deal more effectively in the marketplace. The Director is also the Special Adviser to the President for Consumer Affairs.

Under Executive Order 12160 of September 26, 1979, the staff of the Office also provides administrative support to the Consumer Affairs Council. The functions of the Council are to provide leadership and coordination to insure that agency consumer programs are implemented effectively, to strive to maximize effort, promote efficiency and interagency cooperation, and to eliminate duplication and inconsistency among agency consumer programs.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of $2,096,000 for activities of the Office of Consumer Affairs in fiscal year 1985. This level of funding which is the same as the budget request and the House allowance and represents an increase of $85,000 over the fiscal year 1984 appropriation.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

1984 appropriation	$2,011,900,000
1985 budget estimate	2,400,100,000
House allowance	2,422,600,000
Committee recommendation	2,424,100,000

The Committee recommends an appropriation of $2,424,100,000 for research and development activities. This amount is $24,000,000 more than the budget estimate and $1,500,000 more than the House allowance.

PROGRAM DESCRIPTION

The objectives of the National Aeronautics and Space Administration (NASA) program of research and development are to extend our knowledge of the Earth, its space environment, and the universe; to expand the practical applications of space technology; to develop, operate, and improve unmanned space vehicles; to provide technology for improving the performance of aeronautical vehicles while minimizing their environmental effects and energy consumption; and to assure continued development of the aeronautics and space technology necessary to accomplish national goals. The appropriations provides for the following research, development, and procurement activities of NASA:

Space station.—The President has proposed that the United States proceed with the design and definition of a manned space station; initial orbital activities are planned for launch in the early 1990's. A U.S. space station will provide space-based facilities to allow for enhancement of the Nation's science and applications programs and for development of capabilities for commercial exploitation of space, while exploring advanced technologies potentially useful to the economy. In fiscal year 1985, preliminary design definition studies and advanced technology developments will be pursued. One of the main objectives of the definition and design period will be to clarify future costs and capabilities of any potential station configuration. In particular, emphasis will be placed on insuring that potential station configurations can be readily adaptable to changing future national requirements.

Space transportation systems.—The principal areas of activity in space transportation capability development are: efforts related to the Spacelab, the upper stages that place satellites in high altitude orbits not attainable by the Shuttle, the engineering and technical base, payload operations and support equipment, advanced programs study and evaluation efforts, and the development of the United States/Italy tethered satellite system. The European Space Agency developed Spacelab successfully completed its first mission in December 1983. Dedicated missions are scheduled for 1984 and 1985 involving Spacelab pallets and other minor structures. Efforts on space transportation system upper stages will be pursued further. Development of the common NASA/USAF Centaur/STS will continue. In 1985, two Centaur/STS upper stages will be delivered for the 1986 launches of the Galileo and the international solar polar mission. Additional STS upper stages will be procured for the Venus radar mapper and tracking and data relay satellite missions. The tethered satellite system, scheduled for initial flight in late 1987, will provide a new capability for conducting space experiments in regions remote from the Space Shuttle orbiter, especially in the upper atmosphere.

Space science and applications.—This program utilizes space systems supported by airborne and ground-based observations, to conduct scientific investigations of the Earth and its space environment, the Sun, the planets, and interplanetary and interstellar space, and the other stars of our galaxy and universe. Results from these investigations contribute to our understanding of the universe, including the key questions of life, matter, and energy. In addition, this program conducts the research and selected technology developments to encourage the practical application of space technologies to needs on Earth. The major physics and astronomy activities in fiscal year 1985 include: completion of the fabrication of the major space telescope structures and initiation of integration activities on the entire system, continuation of the major fabrication and assembly efforts on the Gamma Ray Observatory and continuation of Shuttle/Spacelab instrument development and mission management activities. In the planetary exploration area, the major fiscal year 1985 activities will be the completion of the Galileo spacecraft flight acceptance program, the continuation of launch vehicle integration activities on the international solar polar mission, and the continuation of the Venus radar mapper spacecraft design and development activities. The Mars geoscience/climatology orbiter, a new initiative that will perform geochemical and climatological mapping of Mars, will begin design and development activities in fiscal year 1985. The major activities in the space applications area include evaluation and technique development of Shuttle imaging radar-B data for geological mapping, continuation of Shuttle/Spacelab development efforts along with definition activities on advanced instruments, and development of instruments to be flown on the tethered satellite system. The upper atmospheric satellite research mission, a new initiative that will conduct research on the Earth's upper atmosphere to assess its susceptibility to chemical change, will begin development activities in fiscal year 1985. Development will also be initiated on the scatterometer that will be flown on the Navy's remote ocean sensing system and will be used to measure wind velocity on the surface of the ocean. In the space communications area, activities will continue on the restructured advanced communications technology satellite program for the technology development and the ground testing of components for future communications satellites and research and analysis in support of advanced component and device technology for communications satellite systems.

Technology utilization.—This program is designed to facilitate the transfer of NASA technology to the nonaerospace industry, as well as State and local governments. During fiscal year 1985, NASA will continue its efforts to help foster widespread dissemination of new technology developed by the Agency's programs.

Aeronautics and space technology.—The objectives of the aeronautical research and technology program are the advancement of the aeronautical technology base; the maintenance of the long-term competitive position of the United States in the international aviation marketplace; and the support of the military in maintaining the superiority of the Nation's military aircraft. Specific technology efforts in fiscal year 1985 will continue to be directed toward major improvements in high-performance aircraft, subsonic aircraft, rotorcraft, advanced propulsion, and numerical aerodynamics simulation. Major thrusts of fiscal year 1985 activities include: continuing advancement in both basic aeronautical disciplines and systems research, maintaining and operating specialized facilities essential to aeronautical research, and pursuing technological advances in critical areas of high risk and potentially high payoff to the Nation. The objectives of the space research and technology program are to provide the technology base necessary to support current and future space activities and to formulate and advance technology options for the future. These activities emphasize the longer-range aspects of generic research and technology development which are crucial in maintaining future U.S. leadership.

Tracking and data advanced systems.—The overall objective of the advanced systems program is to perform studies and provide for the development of required tracking and data systems and techniques.

COMMITTEE RECOMMENDATION

The Committee recommends $2,424,100,000 for this account. This is $24,000,000 more than the budget request and $1,500,000 more than the House allowance. This represents an increase of $412,200,000 or 20.5 percent over the fiscal year 1984 level. The fiscal year 1985 increase recommended by the Committee is the net result of $54,000,000 in increases and a $30,000,000 general decrease.

The Committee provided the full request of $150,000,000 for the space station program and strikes the House language directing NASA to plan for the design of a man-tended rather than permanently manned station. Instead, the Senate bill requires (under the research and program management account) a NASA automation report. This report and the ongoing NASA-sponsored automation study are expected to be completed by no later than April 1, 1985. In order to assure that the results of these two efforts are incorporated in the systems definition and integration studies, the Committee has included language prohibiting the obligation or expenditure of funds for these definitional studies before April 1, 1985. The Committee expects that the results of the mandated automation study will be made a part of the contract efforts on the definition and integration contracts and has, accordingly, included bill language to this effect. The Committee also expects the contractors to devote a significant portion of their effort pursuing the study of the automation and robotic technologies identified in the mandated report with the objective of advancing the state-of-the-art in these technologies and increasing their terrestrial application.

The Committee acknowledges the need to pursue a manned space station, however, the Committee believes that NASA needs to pursue the areas of automation and robotics more vigorously. Consequently, the bill language is intended to assure that such advanced technologies are indeed made an integral part of the planning and development for a manned space station.

In light of the huge costs of the space station, the Committee expects that NASA's fiscal year 1986 and outyear budgets will honor the Agency's commitment to maintain the space science and applications functions of the NASA budget at approximately the same ratio to the total NASA funding for the research and development and space flight accounts as has historically been the case.

The Senate Committee and the House included an additional $40,000,000 for the Advanced Communications Technology Satellite (ACTS). When combined with the request of $5,000,000 in fiscal year 1985, the carryover of approximately $18,000,000 in fiscal year 1983 and approximately $5,000,000 in fiscal year 1984, a total of $68,000,000 will be available for ACTS in fiscal year 1985. This communications satellite will facilitate advances in scanning beam technology.

The Committee recognizes that the ACTS program has been controversial owing to the question of whether or not the Government should fund advanced communications satellite research and development—particularly given the health of the United States communications satellite industry. However, the ACTS proposal involves an innovative approach providing for both industry and Government contributions. The total cost of the ACTS program for the Government is estimated at $354,000,000, while an additional $100,000,000 is expected to be contributed by industry and associated experimenters.

Both the Committee and House added $10,000,000 to the planetary and physics and astronomy research and analysis (R&A) programs. However, the Committee directs that NASA apply no less than $7,000,000 of this amount to planetary R&A—bringing the total to at least $61,500,000 or a 3.4-percent increase over fiscal year 1984. The physics and astronomy R&A program level would be about $39,900,000 for an increase of 11.4 percent over the fiscal year 1984 level.

The Committee directs NASA to move rapidly to begin phase B studies of both SIRTF (Space Infrared Telescope Facility) and AXAF (Advanced X-ray Astronomy Facility) within the total amounts provided in the bill for research and analysis. Additionally, the Committee urges NASA to retain its commitment to basic research in areas such as theoretical astrophysics.

The Committee directs that $5,500,000 of unallocated fiscal year 1984 funds be made available for high priority aeronautics and space technology activities such as the advanced turbo-prop program. With this reallocation NASA's aeronautics and space technology program will be $501,900,000 or $62,600,000 (14.2 percent) over the fiscal year 1984 level.

In keeping with prior year practice, the Committee has deleted the program "caps" contained in the House bill. The House "caps" on the: space station; space telescope development; gamma ray observatory; Shuttle upper stages; Venus radar mapper mission; and the Galileo mission; will be considered in conference.

Finally, the Committee added $4,000,000 as part of the automation initiative. This increase would be added to NASA's sensor systems and automation programs under the space research and technology program—this would increase this activity by about 50 percent over the fiscal year 1985 request and restore it to the fiscal year 1984 request level.

SPACE FLIGHT, CONTROL, AND DATA COMMUNICATIONS

1984 appropriation	$3,791,600,000
1985 budget estimate	3,600,300,000
House allowance	3,602,800,000
Committee recommendation	3,600,300,000

The Committee recommends an appropriation of $3,600,300,000 in fiscal year 1985 for the space flight, control, and data communications activities of the National Aeronautics and Space Administration. This amount is the same as the budget estimate and $2,500,000 less than the House allowance.

PROGRAM DESCRIPTION

The space flight, control, and data communications appropriation provides for the production and capability development, and operational activities for the space transportation system and the continuation of tracking and data acquisition activities.

Space transportation system.—Shuttle production and capability development and space transportation operations are the key elements of the space transportation system that are contained within this appropriation. The Shuttle production and capability development program provides for the national fleet of Space Shuttle orbiters including main engines, launch site and operational control requirements initial structural and operational spares, production tooling, and related supporting activities. Columbia (OV–102) will undergo a major modification process that will strengthen the internal structure and provide Columbia with greater vehicle load-carrying capability. Atlantis (OV–104) is scheduled for delivery in April 1985. Discovery (OV–103) is presently planned to be used for the first west coast launch in October 1985. Other major activities planned for fiscal year 1985 include: continued development and testing of the Space Shuttle's main engines, fabrication of engines, and space components and the continuance of the lay-in of spares to support the planning flight rate buildup to 24 per year, the ongoing fabrication of the various major structural spares (such as, the wings), and the completion of development work on a filament wound motor case for the solid rocket booster. Launch and mission support activities at the Kennedy Space Center will be enhanced to meet the increased flight rate of 20 east coast launches per year. The space transportation operations activity provides the standard operational support services for the Space Shuttle and the expendable launch vehicles. Within the Shuttle operations, external tank and solid rocket booster flight hardware is provisioned, overhauled, and repaired and the manpower, propellants, and other materials are furnished to conduct both flight and ground (launch and landing) operations.

The Space Shuttle operations program provides for the launch of NASA, Department of Defense, other U.S. Government, domestic commercial and international missions. The 1984–87 planned launch schedule allows for 6 flights in 1984, 11 flights in 1985, 16 flights in 1986, and 21 flights in 1987; the first west coast launch is scheduled for early 1986. The NASA expendable launch vehicle program (Scout, Delta, Atlas, Centaur, and Atlas F) will be completely funded on a reimbursable basis in 1985. The Delta program will continue to support the last five launches currently scheduled: three Government missions, one foreign mission, and one commercial mission. The Atlas Centaur program has seven remaining launches: four international missions and three Government missions. The Delta and Atlas Centaur vehicles are candidates for commercialization, proposals from commercial entities on these programs are currently being evaluated.

Space tracking and data acquisition.—This program provides for continuation of tracking and data acquisition for Earth-orbital spacecraft, planetary missions, sounding rockets, and research aircraft. This support is currently provided by a worldwide network of NASA ground stations interconnected by a communications system which provides the capability for instantaneous transmission of data and critical commands between spacecraft and the flight control centers. Facilities are also provided to process into meaningful form the scientific, applications, and engineering data which are collected from flight projects. In addition to providing support to NASA flight programs in 1985, the program will provide for continuing network consolidation upgrades, modernization program payments for tracking and data relay satellite systems service, and funding for other elements of the space network as selected stations in the ground network are phased out.

COMMITTEE RECOMMENDATION

The Committee recommends $3,600,300,000 for this account. This is the same as the budget request and $2,500,000 less than the House allowance.

In fiscal year 1984, the Congress added $50,000,000 to NASA's budget for Shuttle and engine spares. Also during fiscal year 1984, NASA internally reprogramed $118,000,000 for engines and engine spares.

For fiscal year 1985, the House provided an additional $40,000,000 for orbiter structural spares and took a general reduction of $37,500,000.

The Committee added $50,000,000 for Shuttle structural and engine spares bringing the total for structural spares to $160,000,000 and the total for engine spares to $101,700,000. This is the minimum level needed to retain the production capability until a decision on a fifth orbiter is made in fiscal year 1986.

Based on recent estimates, NASA could reduce the Shuttle related elements of the fiscal year 1985 space flight, control, and data communications request by approximately $50,000,000. Consequently, the Committee recommended a general offsetting reduction of $50,000,000 to be taken at the agency's discretion. In the event that the $50,000,000 reduction proves to be excessive, NASA could, under the provisions of the Senate bill, transfer funds from the R&D account to cover any shortfall.

In keeping with prior year practice, the Committee has deleted the program "caps" contained in the House bill. The House "caps" on: space shuttle production and operational capability; and space transportation operations; will be considered in conference.

CONSTRUCTION OF FACILITIES

1984 appropriation	$155,500,000
1985 budget estimate	160,000,000
House allowance	150,000,000
Committee recommendation	150,000,000

The Committee recommends an appropriation of $150,000,000 for facilities activities in fiscal year 1985. This amount is $10,000,000 less than the budget estimate and the same as the House allowance.

PROGRAM DESCRIPTION

This appropriation provides for the constructual services for the design, repair, major rehabilitation, and modification of facilities; the construction of new facilities; minor construction; the purchase of land and equipment related to construction and modification; and advanced design related to facilities planned for future authorization.

COMMITTEE RECOMMENDATION

The Committee recommends $150,000,000 for the construction of facilities in 1985. This is $10,000,000 less than the budget request and the same as the House allowance. The Committee expects the agency to reprioritize all projects and activities within the account and make the proposed reduction from those activities that the agency deems of a lower priority.

In reprioritizing, the Committee expects NASA to retain the proposed modifications to the Main Propulsion Test (MPT) stand at the National Space Technology Laboratories (NSTL) to provide capability for single space shuttle main engine testing.

The Committee has included a legislative provision to fund a 170,000-square-foot engineering building housing approximately 825 people at the Jet Propulsion Laboratory. This $17,000,000 facility will be financed by Cal Tech at the prime rate plus 2 percent and paid off by NASA in 12 years, at which time the Government will own it. In taking this action the Committee followed the same procedure as used in fiscal year 1984 for a facility alteration associated with the solid rocket boosters.

The savings achieved in this account were applied to NASA's R&D account.

RESEARCH AND PROGRAM MANAGEMENT

1984 appropriation	$1,238,500,000
1985 budget estimate	1,331,000,000
House allowance	1,316,000,000
Committee recommendation	1,317,000,000

The Committee recommends an appropriation of $1,317,000,000 in fiscal year 1985 for research and program management. This amount is $14,000,000 less than the budget estimate and $1,000,000 more than the House allowance.

PROGRAM DESCRIPTION

The research and program management appropriation supports the performance and management of research, technology, and test activities at NASA installations, and the planning, management, and support of contractor research and development tasks necessary to meet the Nation's objectives in aeronautical and space research. Specifically, this appropriation provides the technical and management capability of the civil service staff needed to conduct the full range of programs for which NASA is responsible; maintains facilities and laboratories in a state of operational capability and manages their use in support of research and development programs; and provides technical and administrative support for the research and development programs at NASA.

COMMITTEE RECOMMENDATION

The Committee recommends $1,317,000,000 for research and program management. This is $14,000,000 less than the budget request and $1,000,000 more than the House allowance. Both the House and Senate Committees took a general reduction in NASA's R&PM account. The Committee, however, added back $1,000,000 resulting in a fiscal year 1985 level increase of $78,500,000, or 6 percent, over the fiscal year 1984 level.

Although the agency is given the authority to take the reductions at its discretion, several areas stand out as possible candidates: travel, which is proposed to increase from $25,700,000 to $28,000,000, or 9 percent; and a $10,000,000 fiscal year 1985 augmentation in operational maintenance.

The $1,000,000 add-back is to permit NASA to continue its activities associated with automating its budget and cost tracking.

The Committee has also included bill language requiring the establishment of an Advanced Technology Advisory Committee on the space station program. This committee is instructed to report back to the Committees on Appropriations by April 1, 1985. Such report should identify promising advanced robotics or automation technologies, not in use in prior or existing spacecraft, totaling no less than 10 percent of the total development costs of the Space Station.

The Committee expects NASA to assign an ongoing and significant role to the Advanced Technology Advisory Committee and expects the Advisory Committee to submit semiannual reports on the status and progress of automation and robotics activities in conjunction with the space station.

The Committee has modified the House language establishing a flat rate per diem system for employee travel. The Senate modification allows the maximum rate to vary with GSA and congressional policy. The current statutory maximum rate for temporary duty travel in the continental United States is $75 per day. If, during the period of the NASA test of the flat rate per diem system, the Administrator of the GSA were to recommend an increase to the statutory maximum rate, and it were enacted by the Congress, this recommended language change in the bill would assure that NASA travelers would be reimbursed under the same rates used by the rest of the Government.

The Committee does not construe NASA's budget description of fiscal year 1985 procurement of upper stages as precluding from consideration any particular upper stage systems. The Committee encourages NASA to seek upper stages that will enhance the capability of the STS from the standpoint of performance, cost effectiveness, and launch assurance in the event of an upper stage failure. The Committee further encourages NASA to consider privately funded upper stages as a means of establishing or maintaining competition in upper stage procurement.

The Committee encourages NASA to review institutions of higher learning having significant minority enrollments to find ways to build closer relations with such schools, meet NASA's research objectives and increase the number of individuals from underrepresented groups in the pool of graduate researchers. The Committee instructs NASA to develop a plan containing options that could build a closer relationship with institutions serving significant numbers of minorities while not diminishing its efforts toward the historically black colleges and universities. The Committee further instructs NASA to submit this plan to the Committee by January 31, 1985.

The savings from this account were used to increase activities in NASA's R&D account.

GENERAL PROVISION

The Committee has included a general provision that provides for the future transfer of supercomputers (class VI) from NASA to the National Science Foundation (NSF). The provision further specifies that NSF can sell such equipment to universities in order to provide increased access to such supercomputers by the academic community. The Committee expects that one or more computers will be transferred during fiscal year 1985.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

	Direct loan limitation	*Administrative expenses*
1984 limitation	($600,000,000)	($850,000)
1985 budget estimate	(600,000,000)	(850,000)
House allowance	(600,000,000)	(850,000)
Committee recommendation	(600,000,000)	(850,000)

The Committee recommends a limitation on direct loans of $600,000,000 and a limitation on administrative expenses of $850,000.

PROGRAM DESCRIPTION

The National Credit Union Administration Central Liquidity Facility (CLF) was created by the National Credit Union Central Liquidity Facility Act (Public Law 95–630) as a mixed-ownership Government corporation within the National Credit Union Administration. It is managed by the National Credit Union Administration Board and is owned by its member credit unions.

The purpose of the facility is to improve the general financial stability of credit unions by meeting their seasonal and emergency liquidity needs and thereby encouraging savings, support consumer and mortgage lending, and provide basic financial resources to all segments of the economy. To become eligible for facility services, credit unions invest in the capital stock of the facility, and the facility uses the proceeds of such investments and the proceeds of borrowed funds to meet the liquidity needs of credit unions. The primary sources of funds for the facility are the stock subscriptions from credit unions and borrowings.

The facility may borrow funds from any source, with the amount of borrowing limited by Public Law 95–630 to 12 times the amount of subscribed capital stock and surplus.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of $600,000,000 on the amount that may be borrowed from the public or any other source, except the Secretary of the Treasury, as proposed in the budget estimate. The Committee also recommends the budget estimate of $850,000 for the limitation on administrative expenses.

NATIONAL SCIENCE FOUNDATION

1984 appropriation	$1,320,300,000
1985 budget estimate	1,501,792,000
House allowance	1,499,792,000
Committee recommendation	1,501,792,000

The Committee recommends an appropriation of $1,501,792,000 for the activities of the National Science Foundation. This amount is the same as the budget estimate and $2,000,000 more than the House allowance.

GENERAL DESCRIPTION

The National Science Foundation was established as an independent agency by the National Science Foundation Act of 1950 (Public Law 81-507) and is authorized to support basic and applied research, science and technology policy research, and related scientific and science education programs to promote the progress of science in the United States.

The Foundation supports fundamental and applied research in all major scientific disciplines, through grants, contracts, and other forms of assistance, such as cooperative agreements, awarded to more than 2,000 colleges and universities and to nonprofit organizations and other research organizations in all parts of the United States. The Foundation also encourages cooperative efforts by universities, industries, and Government.

NSF also supports major national and international science programs including the U.S. Antarctic program and ocean drilling programs, as well as research and related activities in certain foreign countries funded with excess foreign currency owned by the United States.

The Foundation also supports, through contracts, five national astronomy centers and one national atmospheric research center. The centers provide telescopes and other facilities needed for advanced research. The six centers are: The National Radio Astronomy Observatory at Green Bank, West Virginia, which also operates the very large array radio astronomy facility near Socorro, New Mexico; the Kitt Peak National Observatory at Tucson, Arizona; the Cerro Tololo Inter-American Observatory in Chile; the National Astronomy and Ionosphere Center in Puerto Rico; the Sacramento Peak Observatory at Sunspot, New Mexico; and the National Center for Atmospheric Research at Boulder, Colorado.

NSF is the leading Federal supporter of basic research at academic institutions. It is estimated that the Foundation provides approximately 28 percent of Federal support for research going to academic institutions. In some fields, NSF provides the dominant share of Federal basic research support, including almost 70 percent in ground-based astronomy, over 50 percent in environmental sciences, over 95 percent in environmental biology, over 50 percent in mathematics, and nearly 40 percent in engineering. The National Science Foundation operates no inhouse laboratories. Except for administrative costs (approximately 5 percent) and operations support costs for the U.S. Antarctic program (about 8 percent), over 99 percent of all Federal funds appropriated to NSF go directly to non-Federal performers of scientific research and science and engineering education activities.

RESEARCH AND RELATED ACTIVITIES

1984 appropriation	$1,140,300,000
1985 budget estimate	1,308,212,000
House allowance	1,293,212,000
Committee recommendation	1,307,512,000

The Committee recommends an appropriation of $1,307,512,000 for research and related activities. This amount is $700,000 less than the budget estimate and $14,300,000 more than the House allowance.

PROGRAM DESCRIPTION

The research and related activities appropriation provides support for the Foundation's science, engineering, policy, and international research programs and administrative expenses. Separate appropriations are made for the science and engineering education activities program, the U.S. Antarctic program, and for the excess foreign currency program to fund certain scientific activities overseas.

The Foundation's discipline oriented research program is subdivided into the following activities; mathematical and physical sciences; engineering; astronomical, atmospheric, Earth and ocean sciences; and biological, behavioral, and social sciences. The program of scientific, technological, and international affairs are among the other research and related activities within this appropriation.

In fiscal year 1985, the Foundation will maintain broad support across the mathematical and physical sciences, with emphasis on strong experimental capability in all fields. Balance will also be maintained among individual research projects, special equipment programs, university laboratories, and national user facilities in accordance with scientific requirements. Special emphasis is given to the mathematical sciences in order to correct serious deficiencies in the support of graduate students and postdoctoral researchers. Increased support is given to provide researchers with access to advanced computers and for associated networks and local facilities. Research instrumentation and equipment of all types will be stressed throughout, including selected facility upgrading, such as improvements at the Cornell electron storage ring, construction of a cooler storage ring at the Indiana University cyclotron facility, and construction of the second phase of the Michigan State University superconducting cyclotron.

The program for engineering in fiscal year 1985 will continue to expand basic and applied engineering research, with a special effort in engineering processes. Special emphasis will include experimental research in such areas as automated manufacturing, microstructures engineering, electromechanical engineering, and catalysis. Increased support for research equipment and young faculty will continue to be highlighted. Special initiatives in advanced scientific computing and cross-disciplinary research in engineering will also be undertaken.

The biological, behavioral, and social sciences activity will place particular emphasis on the following in fiscal year 1985: enhancing research in plant sciences through contemporary molecular and cellular techniques and expanded biotic systems research, particularly plant/insect interactions and plant adaptations to nutrient limitations; increasing availability and capability of instrumentation; increasing use of sophisticated technologies in the detailed examination of the structure, function, and development of the nervous system; and strengthening and extending socioeconomic data resources and related methodological research.

In the astronomical, atmospheric, Earth, and ocean sciences program activity, NSF intends to give priority to astronomical instrumentation, including start of construction of a very long baseline array (VLBA) for radioastronomy, to studies of exotic celestrial objects including those that are products of late stages of stellar evolution; to basic atmospheric research on local weather, chemical processes in the atmosphere, and climate change; to Earth sciences related to earthquakes, volcanos, and the structure and evolution of the continental crust; to ocean research related to oceanic crustal dynamics and chemistry; and to continuation of an ocean drilling program. Support is also included for five national astronomy observatories and the National Center for Atmospheric Research. Operation of university and oceanographic institution research ships will also be supported, and geological and geophysical research in Alaska and elsewhere in the Arctic will continue.

The scientific, technological, and international affairs activity supports programs which cut across scientific and engineering disciplines and across institutional and international boundaries to provide unique services to the science and technology community. Here the National Science Foundation also employs joint management practice of integrating targeted programs with mainstream research activities to guarantee close involvement of expert scientists and engineers in the research components of special initiatives and international agreements. Major activities planned in fiscal year 1985 include programs that: improve cooperation among research performers and users in universities, industry, and small business; enhance work of U.S. researchers by facilitating their cooperation with foreign scientists; provide research and analysis on public policy issues pertaining to science and technology; maintain a comprehensive data base on the Nation's science and engineering resources; and extend greater research opportunities to all segments of the scientific community.

The program development and management activity provides for the operation, support management, and direction of all Foundation programs and activities and includes necessary funds to develop, manage, and coordinate NSF programs.

COMMITTEE RECOMMENDATION

The Committee recommends $1,307,512,000 for research and related activities. This is $700,000 less than the budget request and $14,300,000 more than the House allowance. This represents an increase of $167,212,000, or 14.7 percent, over the fiscal year 1984 level. For fiscal year 1985, the Committee recommends increases totaling $17,500,000 and a general reduction of $18,200,000. This compares to a House reduction of $42,500,000.

The Committee added $10,000,000 to the $20,000,000 requested by NSF for supercomputer centers. The Committee believes that $30,000,000 is the highest level that can be utilized in fiscal year 1985. On a Government-wide basis, we are expecting to spend $118,100,000 on basic research relating to supercomputers in fiscal year 1985. In addition, the NASA/NSF language in the Senate version of this bill will permit NSF to acquire supercomputer(s) during fiscal year 1985 and to sell such equipment to universities.

In the event that the Foundation determines that additional funding could be effectively utilized in the area of supercomputers, the Committee encourages the Foundation to request such additional resources through the regular reprograming procedures. The Committee expects the Foundation to develop a formal evaluation process for the supercomputer centers and expects a report on a plan to establish such an evaluation system by April 1, 1985.

The Senate bill requires that $5,000,000 appropriated in science education be made available for research in learning and cognition. This set-aside, which worked well in fiscal year 1984, will have the effect of increasing the behavioral and biological sciences programs to $258,100,000 in fiscal year 1985 or an increase of 14.9 percent over the fiscal year 1984 level.

The Committee added $1,000,000 to start a second round of assisting States with the lowest level of scientific activities. This program known as EPSCOR (experimental program to stimulate competitive research) has been well received and appears to be an effective mechanism for stimulating research. The $1,000,000 would provide about seven planning grants of $150,000 each.

The Committee also incremented several small programs by about 50 percent in keeping with the Committee's automation initiative. The additions to these programs are: $3,000,000 for information sciences; $1,500,000 for intelligent systems computer research; and $2,000,000 for automation, instrumentation, and sensing systems.

In keeping with last year's Senate action, this bill contains a legislative provision that sets the number of NSF grants at no fewer than 13,000. This is about 500 grants more than assumed by NSF and would permit a 4.4 percent growth in grants rather than the less than 1 percent increase proposed by NSF in their fiscal year 1985 request.

The Committee deleted a House provision restricting the obligation of funds for the very long baseline array. This provision would require the submission of a fiscal year 1986 NSF budget containing a request for science education of no less than 8.5 percent. The Committee is concerned about the precedent such "linkages" would have on the respective constitutional responsibilities of the legislative and executive branches of Government.

The Committee has retained a House provision authorizing the National Science Foundation to indemnify ocean drilling program contractors in the event of an oil spill accident while drilling operations are underway. In view of the reallocation of the ocean drilling program offices under the AAEO directorate, the Committee urges the Foundation to insure that the staff assembled for this program be maintained at a level sufficient to deal effecitvely with the full range of scientific, engineering, and national management issues involved.

The Foundation's Presidential young investigators program enables promising young faculty to begin their research careers by providing up to $100,000 per year for 5 years in a combination of Federal and matching funds. The Committee notes that earlier this year the first 200 awards were made. It is the administration's intention that 200 new investigators will be named each year, resulting after 5 years in a projected level of 1,000 active awards. The Committee, while approving the full number of Presidential young investigators this year, has reservations on whether such levels need to be increased by 200 during each of the next 3 fiscal years. This is in light of evidence that the private sector is increasing its support of young engineering researchers at academic institutions. As a result of this concern, the Committee requests the Foundation, in conjunction with the Office of Science and Technology Policy, to review this program, focusing specifically on the budgetary implications and programmatic impacts of this program.

The Committee has restored the House reduction of $1,000,000 in the Foundation's program development and management limitation. In light of the fact that the Foundation expects to incur costs above and beyond those anticipated in their fiscal year 1985 budget request, specifically associated with the continued operation of their existing mainframe computer system and unbudgeted personnel compensation and benefits, the Committee restored the limitation of the request level.

The Committee notes with interest the important research taking place in physics on underwater neutrinos. This work is underway in both the United States and the U.S.S.R. The Committee directs NSF to request the National Academy of Sciences to review this area of research and determine its priority.

U.S. ANTARCTIC PROGRAM ACTIVITIES

1984 appropriation	$102,100,000
1985 budget estimate	115,080,000
House allowance	115,080,000
Committee recommendation	110,080,000

The Committee recommends an appropriation of $110,080,000 for the U.S. Antarctic program activities in fiscal year 1985. This amount is $5,000,000 less than the budget estimate and the House allowance.

PROGRAM DESCRIPTION

The U.S. Antarctic program supports national goals that include maintenance of the Antarctic treaty, insure the continent will continue to be used for peaceful purposes only, foster cooperative research to contribute to the solution of regional and worldwide problems, protect the environment and insure equitable and wise use of living and nonliving resources. This U.S. scientific research program continues to be the principal expression of national interest and policy in Antarctica.

In fiscal year 1985, the Foundation will continue to support research intended to increase knowledge of the Antarctic continent and surrounding oceans by developing an understanding of the Antarctic ice sheets and the Antarctic physical, biological, geological, meteorological, atmospheric, chemical, and oceanographic processes. Emphasis will be given to increasing research in glaciology and oceanography. Also included in the fiscal year 1985 estimate is $6,000,000 to reimburse the Department of Defense for retirement cost of military personnel engaging in program support activities.

COMMITTEE RECOMMENDATION

The Committee recommends $110,080,000 for the U.S. Antarctic program. This is $5,000,000 less than the budget request and the House allowance. The reduction is in the LC–130 life extension program. The fate of this program is uncertain and none of the $5,000,000 provided in fiscal year 1984 has been obligated.

The savings from this account were applied to offset the increases proposed in NSF's science education program.

SCIENCE AND ENGINEERING EDUCATION ACTIVITIES

1984 appropriation	$75,000,000
1985 budget estimate	75,700,000
House allowance	88,700,000
Committee recommendation	81,400,000

The Committee recommends an appropriation of $81,400,000 for the Foundation's science education activities in fiscal year 1985. This amount is $5,700,000 more than the budget estimate and $7,300,000 less than the House allowance.

PROGRAM DESCRIPTION

The Foundation's science and engineering education program is designed to encourage the entrance of talented students into science and technology careers and to assist in providing precollege students with a level of education in mathematics, science, and technology that reflects the needs of the Nation and is the highest quality attained anywhere in the world.

Graduate research fellowships provide support for the Nation's most able students to undertake graduate study in science and engineering. Each fellowship in fiscal year 1984 will provide a student stipend of $9,000 per year and a yearly cost of education allowance of $4,900 to the fellow's chosen institution. In fiscal year 1984, the National Science Foundation awarded 1,510 graduate fellowships of which approximately 160 were minority graduate fellowships. It is expected that approximately the same number of fellowships will be provided in fiscal year 1985.

The precollege subactivity is designed to encourage the status and professionalism of science and mathematics teaching as a career, encourage the development of cooperative relationships among all segments of society which can assist in the improvement of precollege science and mathematics education, encourage the development of quality instruction programs, incorporate the usage of computers and other new technologies, support research in teaching and learning, and identify new ideas and exemplary approaches to the long-term problems of continuing science and mathematics teacher education.

A program of Presidential awards for teacher excellence in science and mathematics was established in fiscal year 1983 and will be continued in fiscal year 1985. Approximately 100 distinguished secondary school teachers of science and mathematics annually are selected nationally from each State and other jurisdictions such as the District of Columbia and Puerto Rico.

Local and regional teacher development activities and honors workshops for precollege teachers of science and mathematics further support the Foundation's efforts to enhance precollege teacher development.

COMMITTEE RECOMMENDATION

The Committee recommends $81,400,000 for science and engineering education activities. This is $5,700,000 more than the request and $7,300,000 less than the House allowance.

The Committee added $700,000 to restore the 50 new fellowships proposed to be cut from the fiscal year 1984 level—thus restoring the number of new fellows to 600 as established by this Committee last year. The Committee also increased the fellowship stipends by $900 per year or 11 percent, as requested.

The Committee bill also contains language, as per last year, setting aside $5,000,000 for learning and cognition research. This research, for which NSF has received over $20,000,000 in proposals, has helped develop a working relationship between the educational and research communities. The effect of the provision is to also augment the behavioral and biological sciences programs.

The Committee, like the House, added $5,000,000 for instrumentation at 4-year colleges. These liberal arts colleges are a training ground for a large number of future scientists.

The Committee also earmarked $2,000,000 for a contract study to develop a plan for the science education program and to develop a management structure for the science education directorate. The Committee has been asking for such a plan since February 1983. The Committee is particularly interested in the development of such a plan based on recent assessments of prior programs conducted by NSF. For example, a March 6, 1984 GAO report concluded that, "GAO does not find evidence that training programs to upgrade existing mathematics and science teachers will produce results in terms of improved student achievement." The Committee is encouraged by the personal interest taken by the Director of the Foundation in the science education program. The Committee believes that this $2,000,000 contract effort will be of value in assisting the Foundation in defining their role in science education.

The Committee believes that broadcast television has proven to be a cost-effective means to help meet NSF's precollege education mandate. The science education series "3–2–1 Contact," seen on public television, is an example of this success. The Committite, therefore, recommends that NSF strengthen its support of such proven projects and consider using this technology to meet its principle objectives in precollege mathematics education as well.

SPECIAL FOREIGN CURRENCY PROGRAM (SCIENTIFIC ACTIVITIES OVERSEAS)

1984 appropriation	$2,900,000
1985 budget estimate	2,800,000
House allowance	2,800,000
Committee recommendation	2,800,000

The Committee recommends an appropriation of $2,800,000. This is the same as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

The National Science Foundation supports scientific research and related activities in India and Pakistan by using U.S.-owned foreign currencies designated by the Department of the Treasury as excess to normal U.S. governmental requirements. Through the use of such special foreign currency, NSF provides support for scientific activities of benefit to the United States and to the participating foreign countries without exporting dollars. The objectives of the program are pursued primarily through grants for cooperative research and related activities by United States and foreign scientists and institutions.

COMMITTEE RECOMMENDATION

The Committee recommends $2,800,000 for the special foreign currency program during fiscal year 1985.

NEIGHBORHOOD REINVESTMENT CORPORATION

1984 appropriation	$15,512,000
1985 budget estimate	15,271,000
House allowance	15,271,000
Committee recommendation	15,512,000

The Committee recommends an appropriation of $15,512,000 for the salaries and expenses of the Neighborhood Reinvestment Corporation. This is $241,000 more than the budget estimate and House allowance.

PROGRAM DESCRIPTION

The Neighborhood Reinvestment Corporation was created by the Neighborhood Reinvestment Corporation Act (title VI of the Housing and Community Development Amendments of 1978, Public Law 95–557, Oct. 31, 1978). The Corporation, through the neighborhood housing services (NHS) program improves the quality of life in NHS neighborhoods for current residents, exerts a long-term stabilizing influence on the neighborhood business environment, reverses neighborhood decline and reduces the risks of doing business in the neighborhood.

In 1985, the Corporation plans to continue developing NHS programs in a limited number of additional cities; providing assistance to NHS programs expanding to additional neighborhoods; selecting neighborhood preservation projects for support, monitoring, and evaluation; and replicating promising strategies and mechanisms in other localities.

As a result of Neighborhood Reinvestment's research and development efforts, numerous neighborhood preservation mechanisms and strategies have been instituted in communities throughout the United States, and additional complementary programs are in development. Three types of complementary programs are particularly worthy of note: the apartment improvement program (AIP), the owner built housing program, and the Mutual Housing Association demonstration.

The AIP revitalizes neighborhoods for the benefit of current residents with particular emphasis on privately-owned apartment buildings. Through the use of a computerized real estate investment analysis model a financial analysis of the current and projected operations of each selected building is studied. An individually tailored improvement plan is developed for each building, including such activities as tenant participation, contemporary tax assessment review, repair and modernization, and increased investment or restructured mortgages to improve the economic viability of the buildings and to finance improvements. Recent reductions in interest notes have permitted a substantial increase in AIP activity.

The owner built housing program addresses the severe shortage of affordable, quality housing facing moderate income families in NHS neighborhoods. This program enlarges homeownership opportunity by enabling families collectively to build their own homes, with supervision, coordination, and technical assistance provided by the NHS. This program has resulted in the production of single-family homes for as little as half the market value.

The Mutual Housing Association demonstration, based upon a highly effective Western European model, is designed to create prototypes of publicly accountable competent, private nonprofit organizations committed to continued annual production of new and rehabilitated housing at costs affordable to families and individuals typical of NHS neighborhoods.

The Corporation will continue to provide fundraising counseling to NHS programs throughout the country, utilizing the assistance of Neighborhood Housing Services of America (NHSA), a private, nonprofit, State chartered, tax exempt corporation established to give added private sector strength to the NHS program. NHSA provides fundraising training seminars for NHS programs, direct fundraising counseling to NHS programs toward individual fundraising goals, and hands-on management of local, regional, and statewide fundraising campaigns, and is raising social investment capital and private contributions in support of the NHS secondary market. Considerable progress has been made in the development of NHSA's capacity to keep pace with NHS secondary market needs with primary reliance on private, rather than Neighborhood Reinvestment, resources.

COMMITTEE RECOMMENDATION

The Committee recommends $15,512,000 in new budget authority for the Corporation. This is the same as the Corporation's fiscal year 1984 enacted level.

These additional funds will provide a hedge against decreases in contributions from other agencies which totaled $800,000 in fiscal year 1984 (there are no commitments to date for fiscal year 1985) and an OMB assumed level of local government contributions in fiscal year 1985 of $320,000 more than anticipated in fiscal year 1984.

As a result of this add-on, the Corporation will be able to fund an additional NHS.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

1984 appropriation	$24,500,000
1985 budget estimate	28,130,000
House allowance	27,780,000
Committee recommendation	27,780,000

The Committee recommends an appropriation of $27,780,000 for the salaries and expenses of the Selective Service System. This is $350,000 less than the budget estimate and the same as the House allowance.

PROGRAM DESCRIPTION

The Selective Service System was reestablished by the Selective Service Act of 1948. The basic mission of the System is to be prepared to supply to the Armed Forces manpower adequate to insure the security of the United States during a time of national emergency. Since 1973, the Armed Forces have relied on volunteers to fill military manpower requirements. However, the Selective Service System remains the primary vehicle by which men will be brought into the military through the reinstitution of the draft if mobilization occurs and if the legislative bar to reinstituting the draft is lifted.

Registration was reinstituted in July 1980. In January 1982, the President reaffirmed the need for young men to register with Selective Service in order to save critical time in mobilization during an emergency.

Registration improvement is an integral part of the Selective Service efforts to maintain high compliance percentages. Since the reinstitution of registration in July 1980, Selective Service has been faced with the need to reestablish public awareness of registration requirements and to perform this important task with limited personnel and only part-time staff at the State and local level. Selective Service has mounted an intensive public information campaign designed to inform young men of their obligation to register and the consequences of not doing so. The Selective Service is utilizing its resources in continuing promotional activities to keep registration information in the public eye.

In an effort to identify young men who have not registered, Selective Service is carrying out a compliance program. Procedures have been developed for matching computerized records of registrants with those of the Social Security Administration, the Veterans Administration, and the department of motor vehicles within the various States and territories, and other agencies in the public and private sectors. Eligible men, not in Selective Service or active military files, are identified as suspected nonregistrants. Once identified, they are invited to register or provide information as to why they are not required to register. If they fail to do so, their names are turned over to the Department of Justice for appropriate enforcement action.

During fiscal year 1983, the alternative service regulations became effective. Additionally, local alternative service office locations for the program were designated. In fiscal year 1984, alternative service will have trained approximately 480 civilian volunteers for positions as members of civilian review boards.

COMMITTEE RECOMMENDATION

The Committee recommends $27,780,000 for the Selective Service System. This is $350,000 less than the budget request and the same as the House allowance. The recommendation represents a 13.4-percent increase over the fiscal year 1984 appropriation.

The Committee has previously indicated its interest in having the Selective Service System engage in outside contracting, particularly in the area of automated data processing, rather than increasing agency personnel. To this end, the Committee directs that any automated data processing requirement beyond those contained in the budget estimate be performed through competitive outside contracting rather than by increasing civil service employment.

The Committee also hopes that agency will be able to deliver requested studies to the Committee on the due date rather than with a 7- to 8-month delay as has been the case to date.

The Committee directs that the reduction of $350,000 is to be distributed as follows:

—$50,000 for travel
—$200,000 for other services
—$100,000 to be applied at the agency's discretion.

Language carried in previous appropriation acts prohibiting funds from being used to induct any person into the armed forces is being continued in fiscal year 1985.

DEPARTMENT OF THE TREASURY

PAYMENTS TO LOCAL GOVERNMENT FISCAL ASSISTANCE TRUST FUND

1984 appropriation	$4,566,700,000
1985 budget estimate	4,566,700,000
House allowance	4,566,700,000
Committee recommendation	4,566,700,000

The Committee recommends an appropriation of $4,566,700,000 for payments to the local government fiscal assistance trust fund. This is the same amount as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

The local government fiscal assistance trust fund provides revenue-sharing payments to localities to supplement local revenue sources. Payments to localities are made quarterly. Currently, 39,222 units of general-purpose local governments are eligible to receive revenue-sharing funds: 3,107 counties, 19,056 municipalities, 16,723 towns and townships, and 335 Indian tribes and Alaskan Native villages.

Distribution of the funds is based on population, tax effort, and per capita income. Local jurisdictions are allowed to use the funds for any purposes for which they can legally use revenues generated locally.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of $4,566,700,000 for payments to the local government fiscal assistance trust fund.

All of the funds appropriated are paid to local governments in accordance with a statutory formula. The distribution formula seeks to match payments and local fiscal responsibilities by taking into account each jurisdiction's population, per capita income, and tax effort. Recipients may use the funds for any purposes that are legal purposes for uses of their own locally generated revenues.

OFFICE OF REVENUE SHARING, SALARIES AND EXPENSES

1984 appropriation	$7,278,000
1985 budget estimate	7,941,000
House allowance	7,941,000
Committee recommendation	7,941,000

The Committee recommends an appropriation of $7,941,000 for the salaries and expenses of the Office of Revenue Sharing. This is the same as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

The Office of Revenue Sharing was established in 1972 for the purpose of implementing the State and Local Fiscal Assistance Act of 1972, which was amended and extended through September 30, 1986 by the Local Government Fiscal Assistance Act of 1983 (Public Law 98–185). Specifically, the Office of Revenue Sharing is responsible for correctly computing and distributing revenue-sharing funds and maintaining adequate controls to insure the integrity of the trust funds; supplying adequate information, data, and technical assistance to all recipients to assure compliance with the act; improving the quality of State and local audits to eliminate noncompliance with audit requirements; insuring compliance with the nondiscrimination and public participation provisions of the act; and, at regular intervals, reporting to Congress, recipient governments, and the general public.

COMMITTEE RECOMMENDATION

The Committee recommends $7,941,000 for salaries and expenses of the Office. This is the same as the budget request and the House allowance.

The Committee notes the intent of the Secretary of the Treasury to undertake a very broad-scoped study of the Federal/State/local fiscal relationship as directed by Public Law 98–145 which authorizes expenditures of $430,000 over 2 years for the study. The Committee emphasizes its concern that it is unlikely that the study can be performed within the funding estimates provided by the Office of Revenue Sharing.

If the Committee was to approve the funding of this study through a reprograming of the unobligated balance of the standard lever user charges from fiscal year 1983, there should be no doubt on the part of the agency that no additional appropriations funding would be forthcoming for the study.

The Committee expresses its satisfaction with the status of the New York City Loan Guarantee Program and with the possibility that the federally guaranteed bonds might be paid off prior to the fiscal year 1993 due date.

VETERANS ADMINISTRATION

COMPENSATION AND PENSIONS

1984 appropriation	$13,842,000,000
1985 budget estimate	13,992,900,000
House allowance	13,992,900,000
Committee recommendation	13,992,900,000

The Committee recommends an appropriation of $13,992,900,000 for compensation and pensions. This is the same as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

Compensation is payable to living veterans who have suffered impairment of earning power from service-connected disabilities. The amount of compensation is based upon the impact of disabilities on earning capacity. Death compensation or dependency and indemnity compensation is payable to the surviving spouses and dependents of veterans whose deaths occur while on active duty or result from service-connected disabilities. A clothing allowance is also provided for service-connected veterans who use a prosthetic or orthopedic device.

The Veteran's Compensation and Program Improvements Amendments of 1984 (Public Law 98–223) increased both disability compensation for service-disabled veterans and dependency and indemnity compensation to surviving spouses and children by 3.5 percent, effective April 1, 1984.

The Prisoner of War Health-Care Benefits Act of 1981 (Public Law 97–37), effective October 1, 1981, liberalized entitlement to compensation benefits for POW's by reducing, from 6 months to 30 days, the period of internment required for presumptive service-connection to be applied.

Pensions are an income security benefit payable to needy wartime veterans who are precluded from gainful employment due to nonservice connected disabilities which render them permanently and totally disabled. Veterans 65 years of age or older are excluded from the permanent and total disability requirement in determining eligibility. Death pensions are payable to needy surviving spouses and children of deceased wartime veterans. The rate payable for both disability and death pensions is determined on the basis of the annual income of the veteran or his survivors.

The Veterans and Survivors' Pension Improvement Act of 1978 (Public Law 95–588) reformed the pension program and provided for automatic annual cost-of-living increases comparable to annual social security increases for those pensioners in the improved program and to parents receiving dependency and indemnity compensation. The increase for fiscal year 1984 was 3.5 percent.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of $13,992,900,000 for compensation and pensions. This amount is the same as the budget estimate and the House allowance. The estimated caseload and costs by program for 1984 and 1985 are as follows:

	1984	1985	Difference
Caseload:			
Compensation:			
Veterans	2,260,300	2,255,800	-4,500
Survivors	345,000	342,500	-2,500
Pensions:			
Veterans	763,000	732,200	-30,800
Survivors	870,000	817,700	-52,300
Burial benefits	144,000	139,000	-5,000
Funds:			
Compensation:			
Veterans	$8,029,382,000	$7,998,223,000	-$31,159,000
Survivors	1,824,262,000	1,824,321,000	+59,000
Pensions:			
Veterans	2,501,200,000	2,636,800,000	+135,600,000
Survivors	1,337,300,000	1,369,600,000	+32,300,000
Burial benefits	135,162,000	135,842,000	+680,000
Other assistance	6,038,000	6,358,000	+320,000
Miscellaneous adjustments	8,656,000	21,756,000	+13,100,000
Total, appropriation	13,842,000,000	13,992,900,000	+150,900,000

The administration has again proposed dividing the compensation and pensions appropriation into three separate accounts: compensation, pensions, and burial benefits and miscellaneous assistance. The Committee has again disapproved this proposal and recommends $13,992,900,000 in a single compensation and pensions appropriation in fiscal year 1985.

The 1985 compensation and pensions budget request does not include funds for proposed compensation cost-of-living increases. The Committee recognizes that supplemental funding will be necessary when the final disposition of proposed legislation is known.

READJUSTMENT BENEFITS

1984 appropriation	$1,371,000,000
1985 budget estimate	1,137,800,000
House allowance	1,137,800,000
Committee recommendation	1,137,800,000

The Committee recommends an appropriation of $1,137,800,000 for readjustment benefits. This amount is the same as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

The readjustment benefits appropriation finances the education, and training of veterans and servicepersons whose service occurred at least in part, between February 1, 1955 and December 31, 1976 (post-Korean and Vietnam-era veterans). It also finances educational assistance allowances for eligible dependents of those veterans who died from service-connected causes or have a total permanent service-connected disability as well as dependents of servicepersons who were captured or missing in action. In addition, certain disabled veterans are provided with vocational rehabilitation, specially adapted housing grants, and automobile grants with associated approved adaptive equipment.

The Veterans Health Care, Training, and Small Business Loan Act of 1981 (Public Law 97–72) effective January 1, 1982, provides a 2-year extension of the delimiting period for certain Vietnam-era veterans to pursue on-job training, vocational technical training, or high school training.

The Veterans Compensation, Education, and Employment Amendments of 1982 (Public Law 97–306), effective January 1, 1982, extended the 2-year extension cited above an extra year, until December 31, 1984.

Legislation is proposed to provide a 15-percent rate increase, effective January 1, 1985, at a cost of $132,700,000.

COMMITTEE RECOMMENDATION

The Committee recommends $1,137,800,000 for readjustment benefits for fiscal year 1985. This is the same amount as the budget request and the House allowance.

The recommended amount is based on the following assumptions:

	1984	1985	Difference
Number of trainees:			
Education and training:			
Post-Korean conflict veterans and service persons	555,500	461,200	-94,300
Dependents	78,200	73,900	-4,300
Special assistance to disabled veterans: Vocational rehabilitation	32,500	33,000	+500
Total	666,200	568,100	-98,100
Funds:			
Education and training:			
Post-Korean conflict veterans and service persons	$1,063,647,000	$833,727,000	-$229,920,000
Dependents	169,605,000	160,318,000	-9,287,000
Special assistance to disabled veterans:			
Vocational rehabilitation	126,879,000	130,787,000	+3,908,000
Housing grants	13,875,000	13,500,000	-375,000
Automobiles and other conveyances	3,520,000	3,080,000	-440,000
Adaptive equipment	10,764,000	8,888,000	-1,876,000
Unobligated balances and other adjustments	-17,290,000	-12,500,000	+4,790,000
Total appropriation	1,371,000,000	1,137,800,000	-233,200,000

VETERANS INSURANCE AND INDEMNITIES

1984 appropriation	$7,400,000
1985 budget estimate	11,000,000
House allowance	11,000,000
Committee recommendation	11,000,000

The Committee recommends $11,000,000 for veterans insurance and indemnities in fiscal year 1985. This is the same amount as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

The veterans insurance and indemnities appropriation is made up of the former appropriations for military and naval insurance, applicable to World War I veterans; National Service Life Insurance, applicable to certain World War II veterans; and Servicemen's indemnities, applicable to Korean conflict veterans.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of $11,000,000 for fiscal year 1985, as included in the bill. This will cover the cost to various insurance funds for claims traceable to the extra hazards of service and death claims on policies under waiver of premiums while the insured is on active duty.

MEDICAL CARE

1984 appropriation	$8,070,726,000
1985 budget estimate	8,767,435,000
House allowance	8,807,435,000
Committee recommendation	8,792,165,000

The Committee recommends an appropriation of $8,792,165,000 for medical care in fiscal year 1985. This amount is $24,730,000 more than the budget estimate and $15,270,000 less than the House allowance.

PROGRAM DESCRIPTION

The VA operates the largest medical care delivery system in the country, with 172 hospitals, 16 domiciliaries, 113 nursing homes, and 229 outpatient clinics. It is estimated that the VA medical care system will treat over 1.4 million patients in fiscal year 1985 and that over 18.9 million outpatient medical and dental visits will be made to VA and community health care facilities.

This appropriation provides for medical care and treatment of eligible beneficiaries in VA hospitals, nursing homes, domiciliary, and outpatient clinic facilities; contract hospitals; State home facilities, on a grant basis; contract community nursing homes; and through the hometown outpatient program on a fee basis. Hospital and outpatient care also is provided for certain dependents and survivors of veterans under the civilian health and medical program of the VA (CHAMPVA). The medical care appropriation also provides for training of medical residents and other personnel in health science fields to support the agency's and the Nation's health manpower demands.

COMMITTEE RECOMMENDATION

The Committee recommends $8,792,165,000 for the medical care account. This is $24,730,000 more than the budget estimate, $721,439,000 above the fiscal year 1984 appropriation, and $15,270,000 less than the House allowance.

The Committee has eliminated from the VA's major construction account two proposed new nursing home care facilities. These facilities would have provided 180 beds of nursing home care. The Committee has increased the medical care account by $3,930,000 in order to provide for additional nationwide contract nursing home care. The Committee notes that this will result in an increase of approximately 200 contract care beds.

Last year in its report (S. Rept. 98–152), the Committee directed the VA to prepare an operating plan to monitor the allocation of resources within the medical care account. The Committee wishes to encourage the VA to continue its efforts to provide such reprograming data on a timely basis. The Committee expects to be provided with an update of the plan within 1 month after the end of a fiscal quarter in accordance with the reprograming instructions contained in the front of this report.

The Committee adds $20,800,000 to the budget request and redirects $4,200,000 to provide an additional 500 FTEE above the requested increase of 2,747 FTEE. The Committee directs that the VA allocate no less than 220 FTEE of the additional 500 FTEE made available to the medical care account to the in-house vet center program principally to augment staff at existing centers and to establish new or satellite centers where needed. The Committee intends, as recommended by the Senate Veterans' Affairs Committee, that no more than 55 of the new 220 FTEE be career personnel. The remaining FTEE are to be used at the discretion of the VA in such high-priority areas as gerontology and psychological services. The Committee directs the VA to reduce the level of readjustment counseling outside contracts by $3,200,000, since it is unlikely that the VA would be able to obligate the entire $11,200,000 requested. The Committee also directs the VA to reduce employee travel in the medical care account by $1,000,000 below the budget request. The budget request contains an increase in employee travel above the fiscal year 1984 appropriation that the Committee believes is excessive (68 percent).

The Committee understands that the VA has completed an extensive review of staffing models and the application of such models to VA staffing requirements. Subsequent to this study, the Committee has been informed that there is serious concern about the lack of personnel resources being provided at the medical centers affiliated with the five recently established medical schools activated by Public Law 92–541.

The Committee directs the VA to determine what constitutes adequate levels of personnel resources at the following VA medical centers associated with the five grants: Huntington, W. Va.; Mountain Home, Tenn.; Dayton, Ohio; Columbia, S.C.; and the Temple, Marlin, and Waco facilities in Texas, and report back to the Committee by January 1, 1985.

The Committee urges the VA to investigate the feasibility of an affiliation between the medical school at the University of Hawaii and a mainland VA medical center. The Committee believes that such an affiliation would be beneficial to the veterans in Hawaii and to the VA system overall. The Committee expects the VA to report on the feasibility of such an affiliation by February 15, 1985. If the VA report indicates that such an affiliation is feasible, the Committee expects the VA to make the FTEE resources available. In the future, the Committee would provide a reimbursement of the required resources.

In the 1984 appropriations report, the Committee noted that there was a marked increase in the ratio of additional to replacement equipment over the experience in previous years. The Committee took actions at that time to restore the balance. In examining the proposed increases of replacement and additional equipment in the 1985 budget the Committee again noted an increase in the ratio of additional to replacement equipment. The Committee is also aware that there must be an immediate upgrading of the condition of the existing equipment. The Committee approves the requested increase of $55,242,000 in equipment over the 1984 level but also directs that the distribution to be such that the funding for additional equipment not exceed $155,390,500.

Finally, the Committee directs the VA to insure that 56 medical care personnel (all MEDIPP field staff) be covered in the freeze of DM&S positions related to construction planning described in the medical administration and miscellaneous operating expenses account section of this report.

At the level of funding provided by the Committee, the average employment (FTEE) in medical care will be 193,821, or 3,247 FTEE above the fiscal year 1984 level.

MEDICAL AND PROSTHETIC RESEARCH

1984 appropriation	$216,299,000
1985 budget estimate	192,695,000
House allowance	192,695,000
Committee recommendation	193,695,000

The Committee recommends an appropriation of $193,695,000 for medical and prosthetic research activities. This is $1,000,000 above the budget estimate and the House allowance.

PROGRAM DESCRIPTION

The appropriation recommended by the Committee provides funds for the conduct of the VA's medical research program and for a rehabilitative research program focusing on rehabilitative engineering problems in the field of prosthetics, orthotics, adaptive equipment for vehicles, sensory aids and related areas. The medical and prosthetic research account also provides support for health services research projects at VA medical centers for improving the effectiveness and economy of delivery of health services and improving the accessibility of services to veterans.

The 1985 estimate provides $8,650,000 and 55 FTEE for the Centers for Disease Control (CDC) to conduct an epidemiology study on the effects of Agent Orange and other dioxins on Vietnam-era veterans. The

1984 appropriation provided $53,974,000 and 49 FTEE for the same purpose.

COMMITTEE RECOMMENDATION

The Committee recommends $193,695,000 for medical and prosthetic research. This is $1,000,000 above the budget estimate and House allowance. The Committee added $1,000,000 above the request for prosthetic research into voice-actuated robotic devices.

The Committee deletes $3,224,000 from the request for the CDC Agent Orange study and directs the funds be used for rehabilitation research, health services research, and other non-Agent Orange medical research. The Committee action provides all the funds identified for outside contracts for the CDC Agent Orange study through 1985 plus $3,000,000 for administrative expenses in fiscal year 1985. The VA has transferred $1,800,000 to CDC (as of May 15) out of the $53,974,000 that was appropriated in fiscal year 1984.

Excluding the CDC Agent Orange study, the following table indicates the request is $21,720,000 above the fiscal year 1984 appropriations level and the Committee recommendation is a 16-percent or $25,944,000 increase in basic medical and prosthetic research over the fiscal year 1984 appropriation and $4,224,000 over the request level:

MEDICAL AND PROSTHETIC RESEARCH

	1984 appropriation	1985 request	Senate recommendation
Research base	$162,325,000	$184,045,000	$188,269,000
CDC Agent Orange	53,974,000	8,650,000	5,426,000
Total	216,299,000	192,695,000	193,695,000

Thus the true program funding of $188,269,000 suggested by the Committee will support an average employment of 4,634 using the rates provided in the VA budget justification. This is an increase of 200 FTEE over the 4,434 FTEE in fiscal year 1984 before the large infusion of passthrough funds for the Centers for Disease Control.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

1984 appropriation	$66,552,000
1985 budget estimate	73,013,000
House allowance	69,013,000
Committee recommendation	72,213,000

The Committee recommends an appropriation of $72,213,000 for medical administration and miscellaneous operating expenses. This is $800,000 below the budget estimate and $3,200,000 above the House allowance.

PROGRAM DESCRIPTION

This appropriation provides funds for: (1) central office executive direction, administration and supervision of all VA medical programs, including development and implementation of policies, plans and program objectives as well as followup action to insure the accomplishment of goals; (2) postgraduate and inservice training activities in support of continuing education for employees of various medical programs, including costs of tuition, travel, lecturer's fees, and training materials, and equipment; and (3) a health professional scholarships grant program for eligible students in nursing degree programs.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of $72,213,000 for medical administration and miscellaneous operating expenses in fiscal year 1985. This is an increase of $5,661,000 above the 1984 level.

The Committee recommendation denies $800,000 of the $1,742,000 requested employee travel increase (20 percent above the 1984 appropriation). The Senate Veterans Affairs Committee recommended a reduction in the MAMOE employees travel of up to $840,000. The Committee leaves it to the discretion of the VA as to where these travel reductions are to be made.

The Committee has been extremely frustrated by the time it takes the DM&S personnel in the VA to provide construction planning related information. Two recent requests have not been satisfied after a 4-week period of repeated calls on the part of the Committee staff.

The Committee has been particularly concerned with the process by which priorities have been set for major construction projects in the past. The Committee has been frustrated in examining the interrelationship between: (1) the priorities for the 54 fiscal year 1985 construction projects provided the Committee in response to hearing questions; (2) the relationship to the 5-year plan and the ranking of, and importance to the VA of, the list of 10 medical centers judged most in need of construction, replacement, or major modernization; and (3) the role of the VA, the Congress, and the Office of Management and Budget in dealing with the needs for replacement hospitals in Baltimore and Philadelphia and the relationship of these needs to the overall national needs of the veterans population.

Due to the Committee's inability to obtain a documented list of major construction needs, the VA is directed to develop a report describing a new prioritization methodology. The report is due no later than March 15, 1985. The Committee staff will work closely with the VA in providing positive feedback during the development of ranking schemes by the VA.

It is the expectation of the Committee that the VA will develop a priority system and a listing of priorities for all medical program major construction that is acceptable to the Committees on Appropriations well before the March 15, 1985 due date.

Over 100 FTEE's in DM&S spend half time or more in developing the MEDIPP data and prioritizing the construction projects on the basis of this and other VA data. See the following table:

VA—DM&S PLANNING SUPPORT FOR CONSTRUCTION PROJECTS

	Total number of persons in unit
Program analysis and development	17
Health systems planning service	22
Planning methods and systems development service	11
Facility planning service	25
MEDIPP (field personnel, medical care)	56
Total	131

The Committee added bill language limiting the personnel identified in the above noted offices to 106 FTEE during fiscal year 1985. The Committee intends to review the need to reinstate these FTEE after the Committee reviews the March 15, 1985, report on construction priorities.

GENERAL OPERATING EXPENSES

1984 appropriation	$712,088,000
1985 budget estimate	755,454,000
House allowance	750,454,000
Committee recommendation	750,454,000

The Committee recommends an appropriation of $750,454,000 for general operating expenses in fiscal year 1985. This amount is $5,000,000 less than the budget estimate and the same as the House allowance.

PROGRAM DESCRIPTION

This appropriation provides for the administration of nonmedical veterans benefits through the Department of Veterans Benefits; the operation and maintenance of 108 national cemeteries by the Department of Memorial Affairs; and top management direction and support through agency-level staff offices including the Office of Data Management and Telecommunications. Specifically, general operating expenses cover the following activities:

Veterans benefits.—This activity determines eligibility and adjudicates all claims for compensation, pensions, educational assistance, housing loan assistance, and insurance awards.

Memorial affairs.—This activity provides for the interment of eligible deceased servicepersons, discharged veterans, and dependents in national cemeteries and procures headstones and markers for graves of eligible active duty personnel as well as discharged veterans.

General administration.—This activity includes the executive direction of the agency and several top level supporting offices, plus the activities of the Board of Veterans Appeals, which decides all cases of appeals to the Administrator on claims involving benefits under veterans legislation, and the Board of Contract Appeals, which decides appeals on the contracts made by the VA.

COMMITTEE RECOMMENDATION

The Committee recommends $750,454,000 for general operating expenses in fiscal year 1985. This amount is $5,000,000 below the budget request and the same as the House allowance. The Committee recommendation is $38,366,000 above the 1984 level.

The Committee recommends that the $5,000,000 reduction be taken at the discretion of the VA other than the Board of Veterans Appeals and the Board of Contract Appeals.

The Committee advises the VA that any policy changes made to the loan guarantee program must not result in a greater cost to the Government.

The Committee targets $1,700,000 for the Office of Data Management and Telecommunications to develop data management systems for the Department of Medicine and Surgery and requires a report describing the VA management plan for integration of VAMC data systems at VA central headquarters by January 31, 1985.

The Committee denied a proposed increase of $3,000 in the VA's reception and representation allowance. The Committee agrees with the House that the existing allowance of $3,000 is sufficient to meet the entertainment requirements of the Veterans Administration.

The Committee has included a new legislative provision which requires one or more tests of the ability of private contractors to assist in the administrative collection of debts due the Government prior to referring debts to the Department of Justice or VA district counsels for enforced collection action. The Committee is concerned that the volume of cases requiring referral for litigation has not been decreasing with the implementation of improved prelitigation collection techniques. The Committee is also concerned that amounts due the Government under various other programs and laws (such as workmen's compensation law), are not being adequately identified. The new provision would result in information to determine whether the quality of collection services provided by private agencies would adequately serve the needs of the VA in dealing with veteran debtors, as well as the usefulness of such activities to avoid litigation and to keep the number of cases requiring litigation within a workable level. The Committee directs that the VA not dedicate, without the approval of the Committee, any additional FTEE above the budget request level for debt collection activities in the Office of General Council until the tests have been completed and conclusions are drawn as to the effectiveness of the activities.

The Committee directs the VA, no later than July 20, 1984, to report to the Committee on the need for an amount of any appropriation necessary to insure the solvency of the loan guaranty revolving fund in fiscal year 1984 and fiscal year 1985. The Committee further directs the VA to investigate and submit a study on the need, if any, for restoration of staffing levels within the Loan Guaranty Service (LGS) due to the fact that changes that were the basis for a fiscal year 1985 136-FTEE proposed reduction in the LGS apparently will not take effect as originally planned. The study should evaluate the workload and the current staffing of the entire Department of Veterans Benefits to ascertain if there is a requirement for additional staffing within the entire Department of Veterans Benefits. The study of staffing levels should be provided to the Committee prior to September 1, 1984. The VA is also directed to submit to the Committee the cost implications associated with correcting any verified staffing shortfall.

CONSTRUCTION, MAJOR PROJECTS

1984 appropriation	$345,692,000
1985 budget estimate	619,594,000
House allowance	619,594,000
Committee recommendation	568,194,000

The Committee recommends an appropriation of $568,194,000 for the construction of major projects in fiscal year 1985. This amount is $51,400,000 less than both the budget estimate and the House allowance.

PROGRAM DESCRIPTION

The construction, major projects appropriation provides for constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the VA, including planning, architectural and engineering services, and site acquisition where the estimated cost of a project is $2,000,000 or more.

The fiscal year 1985 construction, major projects appropriation includes the initial request for the design fund. The design fund will be used to eliminate the budget delay by allowing a project to pass directly from the advance planning stage into the working drawing stage which will save additional inflation costs. The time saved by immediately proceeding into working drawings will reduce design changes and permit earlier use of the constructed facility. In addition, the design fund would provide a more accurate project cost estimate prior to requesting construction funding in a budget. The fiscal year 1985 design fund would fund working drawings for one-half to two-thirds of the projects planned (excluding the replacement and modernization category) for the following budget year.

COMMITTEE RECOMMENDATION

A total construction budget of $688,144,000 is recommended. This consists of $568,194,000 in new budget authority and $120,000,000 from the working reserve. The appropriated amount is $51,400,000 below both the budget request and the House allowance. It is $222,502,000 above the 1984 level.

The Committee deletes $5,200,000 contained in the request for the VA Providence, R.I., 60-bed nursing home care unit. A GAO investigation of this facility utilizing the VA's MEDIPP data indicates no justification for the project based on the 1990 needs. The Committee notes that it deleted this project from the 1984 budget request after the VA revalidation team did not identify an immediate need for the project and recommended deferring it.

The Committee also deletes $9,000,000 contained in the request for the 120-bed San Juan, Puerto Rico nursing home care unit. Despite several requests, the VA has not developed and presented the Congress with a plan for overall health care in Puerto Rico. The Veterans Affairs Committee requested and the Appropriations Committee agreed that consideration of this facility be delayed for at least 1 year so that the VA may develop its health care plan for Puerto Rico. The Committee has, in a separate action, included $3,930,000 in the medical care account to provide for an additional 200 nursing care contract beds nationally.

The Committee deletes $25,000,000 contained in the fiscal year 1985 major construction request for project design. The Committee recognizes that through the passage of Public Law 98–223 (the Veterans Compensation and Program Improvements Amendments Act of 1983, enacted on March 2, 1984) $25,000,000 of funds previously appropriated was made available for a design fund. This design fund was expected to be used to accomplish the working drawing phase of a number of projects listed in the 1985 request. There are 45 out of the 54 projects in the 1985 budget request which already have design funds included in their estimates. The Committee, therefore, has reduced the fiscal year 1985 request by $25,000,000. The Committee admonishes the VA for not voluntarily indicating to the Congress that the $25,000,000 for design funding was provided in two separate places (Public Law 98–223 and the 1985 budget request).

The budget request also contains the request for $20,000,000 for a pilot test of the accelerated design of working drawings for selected 1986 projects. The Committee reduces this request from $20,000,000 to $15,000,000 and directs that these funds be available only for projects for which construction funds will be requested in the following year.

The design fund concept was proposed by the Veterans Administration to reduce the current 12 to 15 month period between completion of advance planning and the beginning of the working drawings. Presently, working drawing funds are requested with construction funding—which is provided in an appropriation act on a project-by-project basis. The Veterans Administration does not request such funding until the advance planning is completed and the scope and total project costs have been determined. Thus, if advance planning for a project is completed by the fall, and is funded in the following year's budget, funds for working drawings are not available for 12 to 15 months. This results in a hiatus that could add to the ultimate cost of the project. The design fund concept is an attempt to reduce the "dead time" awaiting construction funding.

The Committee directs the VA to contract for the completion of a feasibility study for a pedestrian passageway connecting the Veterans Administration Medical Center in Portland, Oreg., and the adjacent Oregon Health Sciences University. The study should address all those technical requirements associated with the design and ultimate construction of the project, including the estimated costs and scheduling of construction. Further, the study should be conducted in conjunction and collaboration with the architect and engineering firms which are currently conducting work on the VA Medical Center. And finally, the Committee directs the completed study to be delivered to the Committee prior to October 1, 1984. It is the intent of the Committee to pay close attention to the progress of the study during its conduct and to make a decision regarding the project after the completion of the feasibility analysis. To that end, the Committee encourages the VA to provide the study as soon as possible without sacrificing any technical accuracy.

The Committee directs a decrease in the reserve for the 1985 major construction funding contingencies to 5 percent. This is a reduction of 0.79 percent and deletes $4,200,000 in the contingency reserve which is in addition to the reserve provided to accommodate any increases due to inflation.

The Committee deletes $3,000,000 provided to construct two additional floors at the planned parking garage at the San Francisco, Calif., VA Medical Center. Land may be transferred from the Interior Department to provide parking equivalent to the two additional floors.

The Committee notes that while funds were not deleted for the 120-bed Prescott, Ariz., VA nursing home care unit, final design and construction at this project should not be initiated without approval of the Committees on Appropriations. An investigation by GAO indicates that this facility may not be properly sized. The Committee is having the GAO perform a more detailed investigation and will expedite an early decision.

In its report on the fiscal year 1984 appropriation bill, the Committee noted its dissatisfaction with VA's budget justifications for construction projects. The Committee believes that VA's budget justifications for fiscal year 1985 for the nursing home construction projects have not significantly improved. For example, the justifications for the seven nursing home projects still discuss projected needs for an entire district instead of for the primary service area of the new facility. Based on information supplied by the General Accounting Office in a May 15, 1984, report, the Committee is not confident that the data VA relies on to justify its proposals are accurate, complete, or up-to-date. Therefore, the Committee directs VA to include with each future budget request for major construction projects a certification by its Office of Inspector General that the data in the justification are accurate, complete, and current. The Committee is also considering revalidation of all 1986 major construction projects if the Inspector General indicates that the same inaccuracies continue during the remainder of fiscal year 1984 and the beginning of fiscal year 1985.

The Committee has included a new legislative provision which precludes the issuance of bidding documents for construction contracts of medical facility projects without the local medical director certifying of the adequacy of the project design for patient care. The Committee is concerned that VA medical facility directors may not have an adequate input into the facility design or an appropriate role in the approval of the design of medical facilities under their jurisdiction. This new provision would insure that medical facility directors have such a role in the Veterans Administration's approval process for the design of such projects. The medical facility director would either certify as to the acceptability of the design to meet patient care requirements or certify as to the specific exceptions taken to the design on the part of medical staff. The VA is also directed to devise a means by which the medical staff can conduct an independent review of the final design.

The Committee has updated two legislative provisions introduced last year and concerning the administration of the VA's major construction account and prohibiting fungibility of funds. The first provision continues to restrict the VA from obligating funds from other accounts for the construction or alteration of a project funded in this account until 1 year after the final acceptance of the project by the VA. This language is intended to insure that the Veterans Administration complies with the congressional intent when funds are appropriated for a major construction project. The intent is that a project which has been approved in the budget process and funded by an appropriation should be completed without the use of funds from any other source. If additional funds are required, the VA should request a supplemental appropriation or reprogram funds with congressional approval, rather than turning to another account. This language is not intended to prohibit normal, routine expenditures for equipment and maintenance, which are expenses intended to be borne by other accounts. It is intended to insure that the VA does not augment or supplement appropriated funds without congressional approval.

The Committee has also included a legislative provision which requires the Administrator to report to the General Accounting Office in the event that a contract for working drawings is not awarded by the end of fiscal year 1985 and/or the construction contract is not awarded by the end of fiscal year 1986. The Committee has included this provision to insure that construction funds are expeditiously obligated and that Congress is not presented with a de facto impoundment. The General Accounting Office will monitor the deferral of major construction account funds.

The Committee urges the VA to devise a means of improving the major construction priority setting system. The Committee agrees with the House as to its frustration with the lack of an objective means to establish priorities for the VA construction projects. The Committee has expressed its concern over the lack of an adequate priority setting system for major construction in the medical administration and miscellaneous operating expenses section of this report. A report is expected from the VA which will apply the priority setting scheme to the list of major construction projects and provide an objective rank ordering of projects. It will not be acceptable to take a project previously rejected and rank it higher than it deserves based on a comparison of all other projects. Similarly partially completed projects must compete with new projects for the limited funds that are available. The Committee states its intent to continue its practice of refraining from funding any major construction project not contained in the budget request.

The Committee did not provide a list of the major construction projects as it has done in previous years. However, it has provided specific instructions as to the deletion of projects and reduction of $51,400,000 in funding below the request. The Committee recognizes that the House did not provide a list of major construction projects and directed the VA to submit a revised list of projects by September 1, 1984. The Committee expects that the requested priority list of 1985 major construction projects described in the MAMOE section of this report will be submitted to the Committee for its consideration prior to October 1, 1984.

The Committee, in taking this approach, is fully aware of the actions taken by the authorizing committees with respect to the fiscal year 1985 medical construction projects. The Committee recognizes the valuable efforts of the Senate Veterans Affairs Committee in suggesting a bed-sizing model for use in major construction projects (May 24, 1984). The Committee directs the VA to consider the factors in the model such as service-connected disabilities in preparing the September list. In addition, the Committee expects the VA in its September listing to reexamine the size of the replacement/modernization projects.

Having been assured by the authorizing committees that they will give prompt consideration to the approval of any projects in the September revised list that they have not already approved, the Committee notes its intention to work with the authorizing committees with respect to the merits and scope of the projects included in the September list and not to support any projects at a site where a project is not authorized.

The Committee expects that the September list will result in changes from the VA's construction projects contained in its fiscal year 1985 budget request.

It has been a long-standing practice of the Committee to refrain from funding any project not requested in the budget. If that approach is maintained in fiscal year 1985, a major modernization/replacement project at the Philadelphia hospital would not be funded. The Committee recognizes that both the House and Senate Committees on Veterans' Affairs authorized the Philadelphia project. In view of the problems previously noted concerning the setting of priorities, and taking into consideration the Committee's desire to maintain its policy of only funding projects that have been requested in the budget, the Committee has not included a specific project list in this report. Rather, it directs the Veterans Administration to review and reconsider all projects and submit a revised list of such projects to the Committee prior to October 1, 1984. The Committee also strongly urges the VA to reexamine the hospitals which the VA recommended but which were deleted by

OMB (Philadelphia, Baltimore) in the fiscal year 1985 budget process when revising the list.

CONSTRUCTION, MINOR PROJECTS

1984 appropriation	$185,378,000
1985 budget estimate	202,200,000
House allowance	200,200,000
Committee recommendation	201,619,000

The Committee recommends an appropriation of $201,619,000 to finance the construction of minor projects and expenses of the Office of Construction. This amount is $581,000 less than the budget estimate and $1,419,000 more than the House allowance.

PROGRAM DESCRIPTION

The construction, minor projects appropriation provides for constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Veterans Administration, including planning, architectural and engineering services, and site acquisition, where the estimated cost of a project is less than $2,000,000, and expenses of the Office of Construction. Emphasis is placed on correction of code deficiencies in this appropriation request.

The fiscal year 1985 construction, minor projects appropriation request includes the initial request to establish an emergency fund within the minor appropriation. The emergency fund will be used to finance repairs to any of the nonmedical facilities under the jurisdiction of the Veterans Administration. These funds will be used to repair or prevent damage, caused or that may be caused by acts of God, such as any geologic or meteorologic disaster or catastrophe. The fiscal year 1985 request for the emergency fund is $1,000,000.

COMMITTEE RECOMMENDATION

The Committee recommends $201,619,000 for this account. This is $581,000 less than the budget request and $1,419,000 more than the House allowance.

The Committee directs a reduction of 17 FTEE below the 779 average employment in the budget request. This reduction shall be taken in the Office of Construction, VA central headquarters. The bill also includes a limitation of $40,523,000 for the Office of Construction in fiscal year 1985. The reduction of $581,000 from the $41,104,000 is based on the reduction of 17 FTEE from the Office of Construction budget request. This reduction is based on an examination of the effectiveness of the Office during the past 2 years.

The House deleted $2,000,000 due to an assumed reduction in the size of the Office of Construction due to delegation of authority for construction projects below $40,000,000 to the VA medical center directors. The Committee restores the $2,000,000 deleted by the House and does not support the construction delegation proposed by the House.

The Committee directs the VA to initiate the expansion of the Grafton National Cemetery at the nearby Pruntytown, W. Va., location using the allocation of the $1,750,000 provided by the Committee in fiscal year 1984.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

1984 appropriation	$18,000,000
1985 budget estimate	34,500,000
House allowance	34,500,000
Committee recommendation	34,500,000

The Committee recommends an appropriation of $34,500,000 for grants for the construction of State extended care facilities. This amount is the same as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

This account is used to provide grants to assist States in constructing State home facilities for furnishing domiciliary or nursing home care to veterans, and to expand, remodel or alter existing buildings for furnishing domiciliary, nursing home, or hospital care to veterans in State homes. The grant may not exceed 65 percent of the total cost of the project, and grants to any one State may not exceed one-third of the amount appropriated in any fiscal year.

As of September 30, 1983, Federal funds in excess of $128,375,000 have been obligated to help finance 164 projects in 33 States.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of $34,500,000 for grants for construction of State extended care facilities in fiscal year 1985. This amount is the same as the budget request and the House allowance.

The budget request of $34,500,000 is recommended for grants for construction of State extended care facilities in fiscal year 1985. This amount is $16,500,000 above the 1984 appropriation and will provide for three projects which will produce 56 additional hospital beds, 226 additional nursing home beds, and 126 convertible (domiciliary/nursing home) beds.

GRANTS FOR CONSTRUCTION OF STATE VETERANS CEMETERIES

1984 appropriation	$3,000,000
1985 budget estimate	5,000,000
House allowance	5,000,000
Committee recommendation	5,000,000

The Committee recommends an appropriation of $5,000,000 for grants for the construction of State veterans cemeteries in fiscal year 1985. This is the same amount as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

Public Law 98–223 authorized for another 5 years a grants program to assist individual States in establishing, expanding, and improving veterans cemeteries. The administration may make grants in an amount not to exceed 50 percent of the total value of the land and the cost of improvements, with the remaining amount to be contributed by the State. No State may receive in any fiscal year a total amount greater than 20 percent of the appropriations.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of $5,000,000 for this program during fiscal year 1985. This amount is the same as the budget estimate and the House allowance.

GRANTS TO THE REPUBLIC OF THE PHILIPPINES

1984 appropriation	$500,000
1985 budget estimate	500,000
House allowance	500,000
Committee recommendation	500,000

The Committee recommends an appropriation of $500,000 for grants to the Republic of the Philippines. This amount is the same as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

Public Law 97–72, enacted to assure the continued effective care and treatment of U.S. veterans at the Veterans Memorial Medical Center (VMMC), provides for an annual grant of $500,000 through 1986. The grant is for the replacement and upgrading of equipment and the rehabilitation of the VMMC's physical plant and facilities.

COMMITTEE RECOMMENDATION

The Committee recommends the budget estimate of $500,000 for grants to the Republic of the Philippines. This grant will assure the continued effective care and treatment of veterans at the medical center.

DIRECT LOAN REVOLVING FUND

(LIMITATION ON DIRECT LOANS)

1984 appropriation	($1,000,000)
1985 budget estimate	
House allowance	(1,000,000)
Committee recommendation	(1,000,000)

The Committee recommends a limitation on direct loans of $1,000,000 for fiscal year 1985. This is a $1,000,000 limitation above the budget estimate and the same limitation as the House.

PROGRAM DESCRIPTION

The revenues and receipts from direct loan operations make funds available for the extension of credit to severely disabled veterans for specially adapted housing and for current expenses, excluding administrative expenses. Such funds also provide a source of financing to the loan guaranty program through transfers to the loan guaranty revolving fund. In 1985, 25 direct loans in the amount of $780,000 are expected to be closed.

The VA requests that the dollar limitation for specially adapted housing direct loans be removed in 1985.

COMMITTEE RECOMMENDATION

The Committee recommends $1,000,000 in limitation on direct loans.

The Committee retains the House direct loan revolving fund limitation of $1,000,000.

LOAN GUARANTY REVOLVING FUND

The fiscal year 1985 President's budget for loan guaranty assumes operating under a new Federal policy of paying the lenders' claim in accordance with the terms of the guarantee rather than acquiring properties in foreclosure, and selling loans without repurchase agreements. On February 24, 1984, the implementation date of this new policy was delayed from March 1, to October 1, 1984.

TITLE III

CORPORATIONS

FEDERAL HOME LOAN BANK BOARD

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES

	Administrative expenses	*Nonadministrative expenses*
1984 limitation	25,820,000	40,570,000
1985 budget estimate	24,381,000	43,184,000
House allowance	24,381,000	43,184,000
Committee recommendation	24,381,000	43,184,000

The Committee recommends the same limitation on administrative expenses and nonadministrative expenses as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

The Federal Home Loan Bank Board formulates policies for and supervises the operation of the 12 Federal home loan banks, the system of Federal savings and loan associations, the Federal Savings and Loan Insurance Corporation, and the Federal Home Loan Mortgage Corporation. It is also responsible for the examination of Federal savings and loan associations and for the examination and supervision of State-chartered institutions insured by the Federal Savings and Loan Insurance Corporation. The administrative expenses of the Federal Home Loan Bank Board, including the home office of the Office of Examinations and Supervision, are paid from assessments against the 12 Federal Home Loan Banks and the Federal Savings and Loan Insurance Corporation. The nonadministrative (examination) expenses are financed by examination fees and assessments paid by all insured institutions, and by assessment on the Federal Savings and Loan Insurance Corporation.

COMMITTEE RECOMMENDATION

The Committee recommends limitations of $24,381,000 on administrative expenses and $43,148,000 on nonadministrative expenses of the Federal Home Loan Bank Board, as requested by the administration.

The Committee has retained bill language to allow the Bank Board to reprogram between the administrative and nonadministrative expense limitations up to 10 percent of the lesser limitation upon approval by the Committees on Appropriations. This should give the Bank Board additional flexibility to address the continuing problems facing savings and loan associations.

The budget also proposes that the Federal Home Loan Bank Board's 1985 limitation for official reception and representation expenses be raised from $1,500 to $3,000. The Committee agrees with the House that the current limitation of $1,500 for official reception and representation expenses should be maintained in 1985 for the Federal Home Loan Bank Board.

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

LIMITATION ON ADMINISTRATIVE EXPENSES

1984 limitation	$1,245,000
1985 budget estimate	1,343,000
House allowance	1,343,000
Committee recommendation	1,343,000

The Committee recommends a limitation of $1,343,000 on the administrative expenses of the Federal Savings and Loan Insurance Corporation in fiscal year 1985. This is the same as the budget estimate and the House allowance.

PROGRAM DESCRIPTION

The Federal Savings and Loan Insurance Corporation is authorized under title IV of the National Housing Act to insure savings in all Federal savings and loan associations and in State-chartered institutions of the savings and loan type which apply and qualify for insurance. This protection, which insures each saver in a member association against financial loss up to a statutory limit of $100,000, may be provided either through the prevention of default or the payment of insurance to savings account holders in the event of liquidation. The Corporation is also authorized to make loans to institutions in financial difficulty. The Corporation functions under the direction of the Federal Home Loan Bank Board, which provides administrative services. The expenses of the Board and its staff offices are paid from assessments made on the Corporation and the Federal Home Loan Banks.

COMMITTEE RECOMMENDATION

The Committee recommends $1,343,000 for the limitation on the administrative expenses of the Federal Savings and Loan Insurance Corporation in fiscal year 1985. This is the same as the budget request and House allowance.

TITLE IV—GENERAL PROVISIONS

The Committee concurs with all of the general provisions that were included in the fiscal year 1984 HUD–Independent Agencies Appropriations Act (Public Law 98–45) and were included by the House in this bill (secs. 401–415).

COMPLIANCE WITH RULE XVI, PARAGRAPH 7

Rule XVI, paragraph 7 states:

"Every report on general appropriation bills filed by the Committee on Appropriations shall identify with particularity each recommended amendment which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session."

None of the provisions contained in the Senate version of this bill would qualify for reporting under rule XVI, paragraph 7.

BUDGETARY IMPACT OF BILL

PREPARED BY THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a), PUBLIC LAW 93-344

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount in bill	Committee allocation	Amount in bill
Comparison of amounts in the bill with the Committee allocation to its subcommittees of amounts in the First Concurrent Resolution for 1985: Subcommittee on HUD-Independent Agencies	N/A	56,084	N/A	[1] 60,911
Projections of outlays associated with budget authority recommended in the bill:				
1985				[2] 36,031
1986				8,500
1987				4,341
1988				1,994
1989 and future year				5,296
Financial assistance to State and local governments for 1985 in the bill	13,787			999

[1] Includes outlays from prior year budget authority.

[2] Excludes outlays from prior year budget authority.

N/A: Not applicable.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1984 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1985

[Amounts in dollars]

					Senate committee recommendation compared with (+ or −)		
Item (1)	1984 Appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recom-mendation (5)	1984 Appropriation (6)	Budget estimate (7)	House allowance (8)
TITLE I							
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
HOUSING PROGRAMS							
Annual contributions for assisted housing (contract authority)..	9,912,928,000	6,243,437,000	9,969,127,500	10,393,395,000	+480,467,000	+4,149,958,000	+424,267,500
(Recission of assisted housing deobligations).....	---	---	---	-2,754,713,000	-2,754,713,000	-2,754,713,000	-2,754,713,000
(Increased limitation for annual contract authority)..	(636,336,000)	(675,435,647)	(834,963,123)	(905,613,123)	(+269,277,123)	(+230,177,476)	(+70,650,000)
(Rescission of assisted housing deobligations annual contract authority)......................	---	---	---	(-108,385,000)	(-108,385,000)	(-108,385,000)	(-108,385,000)
Rent supplement (rescission of contract authority, indefinite)..	-2,374,777,000	-1,834,074,000	-1,834,074,000	-1,834,074,000	+540,703,000	---	---
(Limitation on annual contract authority, indefinite)..................................	(-93,326,000)	(-81,617,000)	(-81,617,000)	(-81,617,000)	(+11,709,000)	---	---
Rental housing assistance (rescission of contract authority, indefinite)............................	-483,120,000	-164,760,000	-164,760,000	-164,760,000	+318,360,000	---	---
(Limitation on annual contract authority, indefinite)..................................	(-13,320,000)	(-7,631,000)	(-7,631,000)	(-7,631,000)	(+5,689,000)	---	---
Housing payments (appropriation to liquidate contract authority)..	(10,697,000,000)	(11,663,000,000)	(11,663,000,000)	(11,663,000,000)	(+966,000,000)	---	---
Housing for the elderly or handicapped fund (authority to borrow, indefinite)..............................	630,985,000	498,318,000	498,318,000	498,318,000	-132,667,000	---	---
(Limitation on direct loans)......................	(666,400,000)	(500,000,000)	(500,000,000)	(700,000,000)	(+33,600,000)	(+200,000,000)	(+200,000,000)

Payments for operation of low-income housing projects.	1,362,200,000	1,123,500,000	1,123,500,000	1,148,500,000	-213,700,000	+25,000,000	+25,000,000
Housing counseling assistance........................	3,500,000	---	4,000,000	3,500,000	---	+3,500,000	-500,000
Federal Housing Administration Fund..................	252,974,000	387,683,000	387,683,000	387,683,000	+134,709,000	---	---
Portion applied to debt reduction................	-120,000,000	-215,000,000	-215,000,000	-215,000,000	-95,000,000	---	---
(Limitation on guaranteed loans).................	(50,900,000,000)	(50,900,000,000)	(50,900,000,000)	(50,900,000,000)	---	- -	---
Temporary mortgage assistance payments (limitation on direct loans)..................	(56,390,000)	(65,448,000)	(65,448,000)	(65,448,000)	(+9,058,000)	---	---
Total, Federal Housing Administration Fund....	132,974,000	172,683,000	172,683,000	172,683,000	+39,709,000	---	---
Nonprofit sponsor assistance (limitation on direct loans)..	(2,632,000)	(1,880,000)	(1,880,000)	(1,880,000)	(-752,000)	---	---
Government National Mortgage Association							
Payment of participation sales insufficiencies........	1,997,000	745,000	745,000	745,000	-1,252,000	---	---
Guarantees of mortgage-backed securities (limitation on guaranteed loans)..............................	(68,250,000,000)	(68,250,000,000)	(68,250,000,000)	(68,250,000,000)	---	- -	---
Total, Housing Programs (net)..................	9,186,687,000	6,039,849,000	9,769,539,500	7,463,594,000	-1,723,093,000	+1,423,745,000	-2,305,945,500
SOLAR ENERGY AND ENERGY CONSERVATION BANK							
Assistance for solar and conservation improvements....	25,000,000	---	25,000,000	---	-25,000,000	---	-25,000,000
COMMUNITY PLANNING AND DEVELOPMENT							
Community development grants..........................	3,468,000,000	3,468,000,000	3,468,000,000	3,472,000,000	+4,000,000	+4,000,000	+4,000,000
(Limitation on guaranteed loans)..................	(225,000,000)	---	(225,000,000)	(225,000,000)	---	(+225,000,000)	.
Urban development action grants.......................	440,000,000	440,000,000	440,000,000	440,000,000	---	---	---
Urban homesteading....................................	12,000,000	12,000,000	12,000,000	12,000,000	---	---	---
Total, Community Planning and Development.......	3,920,000,000	3,920,000,000	3,920,000,000	3,924,000,000	+4,000,000	+4,000,000	+4,000,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1984 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1985—Continued

[Amounts in dollars]

Item (1)	1984 Appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or –)		
					1984 Appropriation (6)	Budget estimate (7)	House allowance (8)
POLICY DEVELOPMENT AND RESEARCH							
Research and technology...............................	19,000,000	20,900,000	15,900,000	20,000,000	+1,000,000	-900,000	+4,100,000
FAIR HOUSING AND EQUAL OPPORTUNITY							
Fair housing assistance..............................	4,700,000	6,700,000	6,700,000	6,700,000	+2,000,000	---	---
MANAGEMENT AND ADMINISTRATION							
Salaries and expenses................................	300,950,000	295,235,000	295,235,000	298,135,000	-2,815,000	+2,900,000	+2,900,000
(By transfer, FHA funds)...........................	(271,114,000)	(282,085,000)	(282,085,000)	(282,085,000)	(+10,971,000)	---	---
Total, title I, Department of Housing and Urban Development:							
New budget (obligational) authority (net).	13,456,337,000	10,282,684,000	14,032,374,500	11,712,429,000	-1,743,908,000	+1,429,745,000	-2,319,945,500
Appropriations........................	5,890,321,000	5,754,763,000	5,778,763,000	5,789,263,000	-101,058,000	+34,500,000	+10,500,000
Portion applied to debt reduction.....	-120,000,000	-215,000,000	-215,000,000	-215,000,000	-95,000,000	-	---
Contract authority....................	9,912,928,000	6,243,437,000	9,969,127,500	10,393,395,000	+480,467,000	+4,149,958,000	+424,267,500
Rescission of contract authority, indefinite.........................	-2,857,897,000	-1,998,834,000	-1,998,834,000	-1,998,834,000	+859,063,000	---	---
Authority to borrow...................	630,985,000	498,318,000	498,318,000	498,318,000	-132,667,000	---	---
(By transfer)............................	---	---	---	---	---	---	---
(Appropriation to liquidate contract authority)............................	(10,697,000,000)	(11,663,000,000)	(11,663,000,000)	(11,663,000,000)	(+966,000,000)	---	-

(Increased limitation for annual contract authority)	(636,336,000)	(675,435,647)	(834,963,123)	(905,613,123)	(+269,277,123)	(+230,177,476)	(+70,650,000)
(Limitation on annual contract authority, indefinite)	(-106,646,000)	(-89,248,000)	(-89,248,000)	(-89,248,000)	(+17,398,000)	---	-
(Limitation on direct loans)	(725,422,000)	(567,328,000)	(567,328,000)	(767,328,000)	(+41,906,000)	(+200,000,000)	(+200,000,000)
(Limitation on corporate funds to be expended)	(271,114,000)	(282,085,000)	(282,085,000)	(282,085,000)	(+10,971,000)	---	-
TITLE II							
INDEPENDENT AGENCIES							
AMERICAN BATTLE MONUMENTS COMMISSION							
Salaries and expenses	10,462,000	11,065,000	11,065,000	11,065,000	+603,000	---	-
CONSUMER PRODUCT SAFETY COMMISSION							
Salaries and expenses	35,000,000	35,000,000	36,000,000	35,000,000	---	---	-1,000,000
DEPARTMENT OF DEFENSE - CIVIL							
Cemeterial Expenses, Ar							
Salaries and expenses	8,203,000	7,759,000	7,759,000	7,759,000	-444,000	---	---
ENVIRONMENTAL PROTECTION AGENCY							
Salaries and expenses	574,900,000	639,275,000	672,275,000	639,275,000	+64,375,000	-	-33,000,000
Research and development	142,700,000	163,437,000	193,000,000	184,437,000	+41,737,000	+21,000,000	-8,563,000
Abatement, control and compliance	393,900,000	396,042,000	436,000,000	462,242,000	+68,342,000	+66,200,000	+26,242,000
Buildings and facilities	2,600,000	10,500,000	13,000,000	10,500,000	+7,900,000	---	-2,500,000
Payment to the hazardous substance response trust fund	44,000,000	44,000,000	44,000,000	44,000,000	---	---	---
Hazardous substance response trust fund	410,000,000	640,000,000	600,000,000	640,000,000	+230,000,000	---	+40,000,000
Construction grants	2,430,000,000	2,400,000,000	2,400,000,000	2,400,000,000	-30,000,000	---	---
Total, Environmental Protection Agency	3,998,100,000	4,293,254,000	4,358,275,000	4,380,454,000	+382,354,000	+87,200,000	+22,179,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1984 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1985—Continued

[Amounts in dollars]

Item (1)	1984 Appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or -)		
					1984 Appropriation (6)	Budget estimate (7)	House allowance (8)
EXECUTIVE OFFICE OF THE PRESIDENT							
Council on Environmental Quality and Office of Environmental Quality	1,300,000	700,000	700,000	700,000	-600,000	---	---
Office of Science and Technology Policy	1,950,000	2,194,000	2,194,000	2,194,000	+244,000	---	---
Total, Executive Office of the President	3,250,000	2,894,000	2,894,000	2,894,000	-356,000	---	---
FEDERAL EMERGENCY MANAGEMENT AGENCY							
Funds appropriated to the President, disaster relief	---	100,000,000	100,000,000	100,000,000	+100,000,000	---	---
Salaries and expenses	121,110,000	134,014,000	129,316,000	130,649,000	+9,539,000	-3,365,000	+1,333,000
Emergency management planning and assistance	---	396,058,000	325,593,000	329,219,000	+329,219,000	-66,839,000	+3,626,000
State and local assistance	169,176,000	---	---	---	-169,176,000	---	---
Emergency planning and assistance	146,308,000	---	---	---	-146,308,000	---	---
National flood insurance fund	37,521,000	200,205,000	200,205,000	200,205,000	+162,684,000	---	---
Portion applied to debt reduction	-37,521,000	-200,205,000	-200,205,000	-200,205,000	-162,684,000	---	---
Emergency food and shelter program	40,000,000	---	---	---	-40,000,000	---	---
Total, Federal Emergency Management Agency	476,594,000	630,072,000	554,909,000	559,868,000	+83,274,000	-70,204,000	+4,959,000
GENERAL SERVICES ADMINISTRATION							
Consumer information center fund	1,349,000	349,000	1,149,000	1,149,000	-200,000	+800,000	---

DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Office of Consumer Affairs	2,011,000	2,096,000	2,096,000	2,096,000	+85,000	---	---
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							
Research and development	2,011,900,000	2,400,100,000	2,422,600,000	2,424,100,000	+412,200,000	+24,000,000	+1,500,000
(By transfer, space flight)	(16,300,000)	---	---	---	(-16,300,000)	---	---
Space flight, control and data communications	3,791,600,000	3,600,300,000	3,602,800,000	3,600,300,000	-191,300,000	---	-2,500,000
Construction of facilities	155,500,000	160,000,000	150,000,000	150,000,000	-5,500,000	-10,000,000	---
Research and program management	1,238,500,000	1,331,000,000	1,316,000,000	1,317,000,000	+78,500,000	-14,000,000	+1,000,000
Total, National Aeronautics and Space Administration	7,197,500,000	7,491,400,000	7,491,400,000	7,491,400,000	+293,900,000	---	---
NATIONAL CREDIT UNION ADMINISTRATION							
Central liquidity facility:							
(Limitation on direct loans)	---	(600,000,000)	(600,000,000)	(600,000,000)	(+600,000,000)	---	---
(Limitation on borrowing authority)	(600,000,000)	---	-	---	(-600,000,000)	---	---
(Limitation on administrative expenses, corporate funds)	(850,000)	(850,000)	(850,000)	(850,000)	---	---	---
NATIONAL SCIENCE FOUNDATION							
Research and related activities	1,140,300,000	1,308,212,000	1,293,212,000	1,307,512,000	+167,212,000	-700,000	+14,300,000
Program development and management (limitation on administrative expenses)	(65,000,000)	(70,902,000)	(69,902,000)	(69,902,000)	(+4,902,000)	(-1,000,000)	---
United States Antarctic Program activities	102,100,000	115,080,000	115,080,000	110,080,000	+7,980,000	-5,000,000	-5,000,000
Science education activities	75,000,000	75,700,000	88,700,000	81,400,000	+6,400,000	+5,700,000	-7,300,000
Scientific activities overseas (special foreign currency program)	2,900,000	2,800,000	2,800,000	2,800,000	-100,000	---	---
Total, National Science Foundation	1,320,300,000	1,501,792,000	1,499,792,000	1,501,792,000	+181,492,000	-	+2,000,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1984 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1985—Continued

[Amounts in dollars]

Item (1)	1984 Appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or −) 1984 Appropriation (6)	Budget estimate (7)	House allowance (8)
NEIGHBORHOOD REINVESTMENT CORPORATION							
Payment to the Neighborhood Reinvestment Corporation..	15,512,000	15,271,000	15,271,000	15,512,000	---	+241,000	+241,000
SELECTIVE SERVICE SYSTEM							
Salaries and expenses..................................	24,500,000	28,130,000	27,780,000	27,780,000	+3,280,000	-350,000	---
DEPARTMENT OF THE TREASURY							
Payments to Local Government Fiscal Assistance Trust Fund...	4,566,700,000	4,566,700,000	4,566,700,000	4,566,700,000	---	---	---
Office of Revenue Sharing, salaries and expenses......	7,278,000	7,941,000	7,941,000	7,941,000	+663,000	--	---
Total, Department of the Treasury...............	4,573,978,000	4,574,641,000	4,574,641,000	4,574,641,000	+663,000	---	---
VETERANS ADMINISTRATION							
Compensation and pensions.............................	13,842,000,000	13,992,900,000	13,992,900,000	13,992,900,000	+150,900,000	---	---
(By transfer).......................................	(41,000,000)	---	--	---	(-41,000,000)	---	---
Readjustment benefits.................................	1,371,000,000	1,137,800,000	1,137,800,000	1,137,800,000	-233,200,000	---	---
Veterans job training.................................	150,000,000	---	---	---	-150,000,000	---	---
Veterans insurance and indemnities....................	7,400,000	11,000,000	11,000,000	11,000,000	+3,600,000	---	---
Medical care..	8,070,726,000	8,767,435,000	8,807,435,000	8,792,165,000	+721,439,000	+24,730,000	-15,270,000
Medical and prosthetic research.......................	216,299,000	192,695,000	192,695,000	193,695,000	-22,604,000	+1,000,000	+1,000,000

Medical administration and miscellaneous operating expenses	66,552,000	73,013,000	69,013,000	72,213,000	+5,661,000	-800,000	+3,200,000
General operating expenses	712,088,000	755,454,000	750,454,000	750,454,000	+38,366,000	-5,000,000	---
Construction, major projects	345,692,000	619,594,000	619,594,000	568,194,000	+222,502,000	-51,400,000	-51,400,000
Construction, minor projects	185,378,000	202,200,000	200,200,000	201,619,000	+16,241,000	-581,000	+1,419,000
(Limitation on administrative expenses)	(45,338,000)	(41,104,000)	(39,104,000)	(40,523,000)	(-4,815,000)	(-581,000)	(+1,419,000)
Grants for construction of State extended care facilities	18,000,000	34,500,000	34,500,000	34,500,000	+16,500,000	---	---
Grants for construction of State veterans cemeteries	3,000,000	5,000,000	5,000,000	5,000,000	+2,000,000	---	-
Grants to the Republic of the Philippines	500,000	500,000	500,000	500,000	---	---	---
Direct loan revolving fund (limitation on direct loans)	(1,000,000)	--	(1,000,000)	(1,000,000)	---	(+1,000,000)	---
Total, Veterans Administration	24,988,635,000	25,792,091,000	25,821,091,000	25,760,040,000	+771,405,000	-32,051,000	-61,051,000
Total, title II, Independent Agencies:							
New budget (obligational) authority	42,655,394,000	44,385,814,000	44,404,122,000	44,371,450,000	+1,716,056,000	-14,364,000	-32,672,000
Appropriations	42,692,915,000	44,586,019,000	44,604,327,000	44,571,655,000	+1,878,740,000	-14,364,000	-32,672,000
Portion applied to debt reduction	-37,521,000	-200,205,000	-200,205,000	-200,205,000	-162,684,000	---	---
(By transfer)	(57,300,000)	---	---	---	(-57,300,000)	-	---
(Limitation on administrative expenses)	(110,338,000)	(112,006,000)	(109,006,000)	(110,425,000)	(+87,000)	(-1,581,000)	(+1,419,000)
(Limitation on borrowing authority)	(600,000,000)	---	---	---	(-600,000,000)	---	---
(Limitation on direct loans)	(1,000,000)	(600,000,000)	(601,000,000)	(601,000,000)	(+600,000,000)	(+1,000,000)	---
(Limitation on corporate funds to be expended)	(850,000)	(850,000)	(850,000)	(850,000)	---	---	---

TITLE III

CORPORATIONS

Federal Home Loan Bank Board:							
(Limitation on non-administrative expenses, corporate funds)	(40,570,000)	(43,184,000)	(43,184,000)	(43,184,000)	(+2,614,000)	---	---
(Limitation on administrative expenses, corporate funds)	(25,820,000)	(24,381,000)	(24,381,000)	(24,381,000)	(-1,439,000)	---	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1984 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1985—Continued

[Amounts in dollars]

					Senate committee recommendation compared with (+ or -)		
Item (1)	1984 Appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	1984 Appropriation (6)	Budget estimate (7)	House allowance (8)
Federal Savings and Loan Insurance Corporation, (limitation on administrative expenses, corporate funds)	(1,245,000)	(1,343,000)	(1,343,000)	(1,343,000)	(+98,000)	---	---
Total, title III, Corporations	(67,635,000)	(68,908,000)	(68,908,000)	(68,908,000)	(+1,273,000)	---	---
RECAPITULATION							
Grand total:							
New budget (obligational) authority (net)	56,111,731,000	54,668,498,000	58,436,496,500	56,083,879,000	-27,852,000	+1,415,381,000	-2,352,617,500
Appropriations	48,583,236,000	50,340,782,000	50,383,090,000	50,360,918,000	+1,777,682,000	+20,136,000	-22,172,000
Portion applied to debt reduction	-157,521,000	-415,205,000	-415,205,000	-415,205,000	-257,684,000	---	---
Contract authority	9,912,928,000	6,243,437,000	9,969,127,500	10,393,395,000	+480,467,000	+4,149,958,000	+424,267,500
Rescission of contract authority, indefinite	-2,857,897,000	-1,998,834,000	-1,998,834,000	-1,998,834,000	+859,063,000	---	---
Authority to borrow	630,985,000	498,318,000	498,318,000	498,318,000	-132,667,000	---	---
(By transfer)	(57,300,000)	---	---	---	(-57,300,000)	---	---
(Appropriations to liquidate contract authority)	(10,697,000,000)	(11,663,000,000)	(11,663,000,000)	(11,663,000,000)	(+966,000,000)	---	---
(Increased limitation for annual contract authority)	(636,336,000)	(675,435,647)	(834,963,123)	(905,613,123)	(+269,277,123)	(+230,177,476)	(+70,650,000)
(Limitation on administrative expenses)	(110,338,000)	(112,006,000)	(109,006,000)	(110,425,000)	(+87,000)	(-1,581,000)	(+1,419,000)
(Limitation on annual contract authority, indefinite)	(-106,646,000)	(-89,248,000)	(-89,248,000)	(-89,248,000)	(+17,398,000)	---	---
(Limitation on borrowing authority)	(600,000,000)	---	---	---	(-600,000,000)	---	---
(Limitation on direct loans)	(726,422,000)	(1,167,328,000)	(1,168,328,000)	(1,368,328,000)	(+641,906,000)	(+201,000,000)	(+200,000,000)
(Limitation on guaranteed loans)	(119,375,000,000)	(119,150,000,000)	(119,375,000,000)	(119,375,000,000)	---	(+225,000,000)	---
(Limitation on corporate funds to be expended)	(339,599,000)	(351,843,000)	(351,843,000)	(351,843,000)	(+12,244,000)	---	---